

# State of Idaho

## Department of State

### CERTIFICATE OF INCORPORATION OF

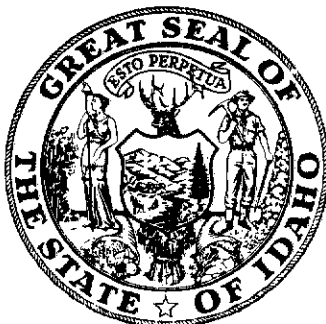
HYDRALYTIC TECHNOLOGIES, INC.

File number C 119556

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of the above named corporation, duly signed pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: May 19, 1997



*Pete T. Cenarrusa*  
SECRETARY OF STATE

By

*L. D. [Signature]*

**ARTICLES OF INCORPORATION**  
**OF**  
**HYDRALYTIC TECHNOLOGIES, INC.**

97 MAY 19 AM 8:36  
SECRETARY OF STATE  
STATE OF IDAHO

KNOW ALL MEN BY THESE PRESENTS THAT WILLIAM BURNETT being over the age of eighteen (18) years, and for the purposes of forming a corporation under the Idaho Business Corporation Act, hereby certifies and adopts in duplicate the following Articles of Incorporation.

**ARTICLE I**

The name of the Corporation shall be "HYDRALYTIC TECHNOLOGIES, INC." and it's existence shall be perpetual.

**ARTICLE II**

The purpose and objects of this corporation are as follows:

1. The Corporation shall have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Idaho Business Corporation Act, as amended, under the provisions of which the Corporation is incorporated.

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2. In furtherance of and not in limitation of the general powers conferred by the laws of the State of Idaho, it is expressly provided that this Corporation shall also have the following powers;

a. To acquire by purchase or otherwise and to own, hold, cancel, reissue, sell, pledge and otherwise deal in the stock of this Corporation, provided that money or property of the Corporation shall not be used for purchase of shares of its own stock when such use would cause any impairment of the capital of the Corporation. The Corporation shall not be entitled to vote, either directly or indirectly, on any share of its Own stock which it may hold.

b. To acquire by purchase or otherwise and to own, hold, cancel, reissue, sell, pledge, and otherwise deal in the bonds, debentures, notes and other securities and obligations of this corporation.

c. To borrow money and give security therefor.

d. To enter into, make, perform and carry out contracts of every kind for any lawful purpose pertaining to its business, with any individual, and any firm, association, corporation, or with any government, municipality, or public authority, domestic or foreign.

e. To do everything necessary, proper, convenient or incidental to the accomplishment of the purposes and objects of the corporation, or which is calculated directly or indirectly to promote the welfare or interests of the Corporation or enhance the value or render profitable any of its proper ties or rights.

f. To do any and all things in this Article set forth to the same extent a natural person might or could do and in any part of the world as principals, agents, contractors, trustees, or otherwise either alone or in the company with others.

PROVIDED, however, that nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business, to exercise any power to do any act which a corporation formed under the Idaho Business Corporation Act, or any amendment thereto, or substitute therefor, may not at the same time lawfully carry on or do.

### **ARTICLE III**

Shareholders of this Corporation shall have preemptive rights to acquire additional shares offered for sale by the Corporation.

### **ARTICLE IV**

1. The location and post office address of the registered office of the Corporation in this state shall be: 1926 Industrial Drive, Sandpoint, Idaho 83864.
2. The Registered agent of the Corporation shall be WILLIAM BURNETT.

### **ARTICLE V**

1. The total number of Common Stock shares authorized and which may be issued by this Corporation is FIVE MILLION (\$5,000,000) Shares, each with no par value.
2. Each share of said Common Stock shall be entitled to One (1) vote.
3. The total number of Class A Preferred non-voting shares authorized and which maybe issued by this Corporation is Twenty Thousand (20,000) Shares, each with a par value of FIVE HUNDRED (\$500.00) Dollars. Each share of Class A Preferred non-voting stock shall bear interest at 8.0% per annum.

4. The Corporation shall have the right to purchase its own unrestricted capital surplus available, as well as from the unreserved and unrestricted earned surplus available.
5. The holders of stock of this Corporation shall not be held individually responsible as such for any debts, contracts, liabilities, or engagements of the Corporation, and shall not be liable for assessments to restore impairments in the capital of the Corporation, nor shall stock of this Corporation be liable to assessment for any purposes.

#### ARTICLE VI

The Corporation reserves the right to amend, alter, change or repeal any provisions contained in these Articles of Incorporation and in any manner now or hereafter prescribed or permitted by statute. All rights of shareholders of the Corporation are granted subject to this reservation.

#### ARTICLE VII

1. The number of Directors of the Corporation shall be fixed as provided from time to time by amending the Bylaws as therein provided.
2. In furtherance of and not in limitation of the powers conferred by the laws of the State of Idaho, the Board of Directors is expressly authorized to make, alter, and repeal the Bylaws of the Corporation, subject to the power of the shareholders of the Corporation to change or repeal such bylaws.
3. The Corporation may enter into contracts and otherwise transact business as vendor, purchaser or otherwise with its Directors, officers and shareholders and with corporation,

associations, firms and entities in which they are or may become interested as directors, officers, shareholders, members or otherwise, as freely as if such adverse interests did not exist, even though vote action or presence of such Directors, officers or shareholder may be necessary to obligate the Corporation upon such contracts or transactions shall be avoided and no such Director, officer or shareholders shall be held liable to account to the Corporation, *by* reason of such adverse interests or by reason of any fiduciary relationship to the Corporation arising out of such office or stock ownership. or for any profit or benefit realized by him through any such contract or transaction; provided that in the case of Directors and officers of the Corporation (but not in the case of shareholders who are not Directors of officers) the nature of the interest of such Directors or officer, though not necessarily the details or extent thereof, be disclosed or known to the Board of Directors of the Corporation, at the meeting thereof at which such contract or transaction is authorized or confirmed. A general notice that a Director or officer of the Corporation is interested in any corporation, association, firm or entity shall be sufficient as to disclosure to such Director or officer with respect to all contracts and transactions of that corporation, association, firm or entity.

4. Any contract, transaction, or act of the Corporation or of the Directors or of any officers of the corporation which shall be ratified by a majority of a quorum of the shareholders of the Corporation at any annual meeting or any special meeting called for such purpose, shall, insofar as permitted by law, be as valid and as binding as though ratified by every shareholder of the Corporation.

5. The Board of Directors of the corporation is hereby specifically authorized to adopt Bylaws restraining the alienation of the shares of the Corporation and further providing for the

purchase or redemption by the Corporation of its shares.

6. The first Directors of the Corporation shall be two (2) in number and their addresses are as follows:

WILLIAM BURNETT  
1926 Industrial Drive  
Sandpoint, Idaho 83864

MICHAEL A. FERRANTE  
105 N. First Street, Suite 290  
Sandpoint, Idaho 83864

7. The Term of the first Directors shall be until the first annual meeting of the shareholders of the Corporation, and until their replacements are elected and qualified.

#### ARTICLE VIII

The names and addresses of the incorporators are as follows:

WILLIAM BURNETT  
1926 Industrial Drive  
Sandpoint, Idaho 83864

MICHAEL A. FERRANTE  
105 N. First Street, Suite 290  
Sandpoint, Idaho 83864

IN WITNESS WHEREOF, the incorporators hereinabove named have hereunto set their hands in duplicate this 15<sup>th</sup> day of May 1997.

  
WILLIAM BURNETT

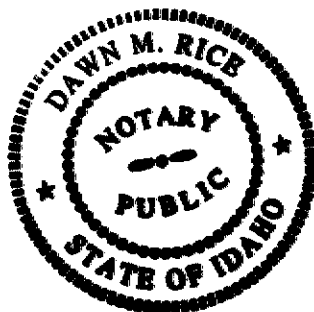
  
MICHAEL A. FERRANTE

STATE OF IDAHO )

) ss.

County of Bonner )

On this 15 day of May, 1997, before me, a Notary Public in and for the State of Idaho, personally appeared, WILLIAM BURNETT, Known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate last above written.



Dawn M. Rice  
Notary Public for Idaho  
Residing at Sandpoint

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STATE OF IDAHO )

) ss.

County of Bonner )

On this 15<sup>th</sup> day of May, 1997, before me, a Notary Public in and for the State of Idaho, personally appeared MICHAEL A. FERRANTE, Known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate last above written.

Jeffrey L. Jettis  
Notary Public for Idaho  
Residing at Sandpoint

Comm. expires: 12/17/2002