

FILED AT THE REQUEST OF:

Thomas Prohaska
Idaho Trust Bancorp
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Boise, Idaho 83702

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SECRETARY OF STATE
STATE OF IDAHO

AFTER FILING MAIL TO:

Melanie G. Rubocki, Esq.
Perkins Coie LLP
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Boise, Idaho 83702-7310

**ARTICLES OF AMENDMENT
TO THE
SECOND AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
IDAHO TRUST BANCORP**

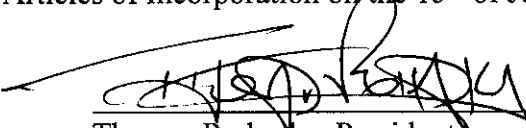
Pursuant to the provisions of Sections 30-1-602, 30-1-1005 and 30-1-1006 of the Idaho Business Corporation Act (the "*Act*"), the undersigned corporation hereby adopts the following Articles of Amendment to its Second Amended and Restated Articles of Incorporation:

1. The name of this corporation is Idaho Trust Bancorp (the "*Corporation*").
2. The Corporation hereby ratifies the designation of 200,000 shares of Series A Preferred Stock, no par value, the terms of which were authorized for issuance by the Board of Directors on November 9, 2005. The Certificate of Designations, Rights, Limitations and Preferences, attached hereto as **Exhibit A**, is hereby incorporated into and made a part of the Second Amended and Restated Articles of Incorporation of the Corporation.
3. The foregoing Articles of Amendment to the Second Amended and Restated Articles of Incorporation were duly adopted by the Board of Directors of the Corporation without shareholder action, as expressly permitted by the Second Amended and Restated Articles of Incorporation and in the manner prescribed by the Act.
4. The foregoing Articles of Amendment to the Second Amended and Restated Articles of Incorporation do not provide for any exchange, reclassification or cancellation of issued shares.

IDAHO SECRETARY OF STATE
06/16/2006 05:00
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1 @ 30.00 = 30.00 AMEND PROF # 2
1 @ 20.00 = 20.00 EXPEDITE C # 3

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IN WITNESS WHEREOF, the undersigned has subscribed these Articles of Amendment to the Second Amended and Restated Articles of Incorporation on the 15th of June, 2006.



Thomas Prohaska, President
SECRETARY

EXHIBIT A

IDAHO TRUST BANCORP

SERIES A PREFERRED STOCK CERTIFICATE OF DESIGNATIONS, RIGHTS, LIMITATIONS AND PREFERENCES

As permitted by the Second Amended and Restated Articles of Incorporation of Idaho Trust Bancorp, an Idaho corporation (the "**Corporation**"), there is hereby designated a series of preferred stock to be known as Series A Preferred Stock (the "**Series A Stock**"), consisting of 200,000 shares, no par value per share, having the following rights, preferences, privileges and limitations:

1. Dividend Rights

(a) Subject to the rights of holders, if any, of shares of Preferred Stock then outstanding having a right to dividends ranking equal or superior to the rights of holders of Series A Stock, the holders of the then outstanding Series A Stock shall be entitled to receive, out of any assets of this Corporation legally available therefor, dividends at an annual rate of six percent (6%) of the original purchase price per Series A share (the "**Original Series A Issue Price**") when, as and if declared on shares of Series A Stock from time to time by the Board of Directors. No dividend shall be paid with respect to any shares of Common Stock or any shares of capital stock of this Corporation ranking junior to the Series A Stock with respect to the payment of dividends (the "**Junior Capital Stock**") unless the holders of the Series A Stock are first paid either a six percent dividend as described above or a dividend per share of Series A Stock equal to the dividend that would be payable on the number of shares of Common Stock into which each share of Series A Stock is then convertible pursuant to Section 3. The right to such dividends on the Series A Stock shall not be cumulative, and no rights shall accrue to the holders of Series A Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

(b) Unless otherwise determined by the Board of Directors, dividends shall be paid by forwarding a check, postage prepaid, to the address of each holder (or, in the case of joint holders, to the address of any such holder) of Series A Stock, any other shares of Preferred Stock and/or Common Stock, as applicable, as shown on the books of this Corporation, or to such other address as such holder specifies for such purpose by written notice to this Corporation. The forwarding of such check shall satisfy all obligations of this Corporation with respect to such dividends, unless such check is not paid upon timely presentation.

(c) Each holder of an outstanding share of Series A Stock shall be deemed to have consented to distributions made by this Corporation in connection with its repurchase of shares of Common Stock issued to or held by officers, directors or employees of, or consultants to, this Corporation or its subsidiaries upon termination of their employment or services pursuant to agreements (whether now existing or hereafter entered into) providing for the right of repurchase between this Corporation and such persons upon termination of employment or services.

2. Voting Rights

Except as otherwise expressly provided by the Idaho Business Corporation Act, the holders of Series A Stock shall not be entitled to vote on any matters but, in cases in which Series A are entitled to vote, the holders of Series A stock shall be entitled to that number of votes equal to the total number of shares of Common Stock into which such holder's shares of Series A Stock are convertible, at the record date for the determination of shareholders entitled to vote or consent on such matter, or, if no such record date is established, at the date on which notice of the meeting of shareholders at which the vote is to be taken is mailed, or the date any written consent of shareholders is solicited if the action is to be taken by written consent. Fractional votes will not be permitted, but will be rounded up or down to the nearest whole number with one-half being rounded up based on the aggregate number of shares of Series A Stock held. Except as otherwise expressly provided herein or by the Idaho Business Corporation Act, the holders of shares of Series A Stock and Common Stock shall vote together as a single class on any matters in which Series A stock is entitled to vote.

3. Conversion

3.1 Right to Convert

Each share of Series A Stock shall be convertible, at the option of the holder, on the third anniversary of the date of issuance, at the office of this Corporation or any transfer agent for the Series A Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Issue Price by the Series A Conversion Price at the time in effect for such share. The price at which shares of Common Stock shall be deliverable upon conversion (the "*Series A Conversion Price*") shall be \$11.00; provided, however, that the Series A Conversion Price shall be subject to adjustment as provided below.

3.2 Mechanics of Conversion

Before any holder of Series A Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of this Corporation or of any transfer agent for the Series A Stock, and shall give written notice by mail, postage prepaid, to this Corporation at its principal corporate office, of the election to convert the same and shall state the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable, issue and deliver at such office to such holder of Series A Stock or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series A Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Series A Stock for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock

issuable upon such conversion of the Series A Stock shall not be deemed to have converted such stock until immediately prior to the closing of such sale of securities.

In the event some but not all of the shares of Series A Stock represented by a certificate or certificates surrendered by a holder are converted, this Corporation shall execute and deliver to or on the order of the holder, at the expense of this Corporation, a new certificate representing the shares of Series A Stock that were not converted.

3.3 Other Distributions

In the event this Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Corporation or other persons, or assets (excluding cash dividends) then, in each such case for the purpose of this Section 3.3 and subject to Section 1(a), the holders of the Series A Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of this Corporation into which their shares of Series A Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of this Corporation entitled to receive such distribution.

3.4 Recapitalizations

If the Common Stock issuable upon the conversion of Series A Stock shall be changed into the same or a different number of shares of any class or classes of stock of this Corporation, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 3) then and in each such event each share of Series A Stock shall be convertible into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification or other change which such share of Series A Stock might have been converted immediately prior to such reorganization, reclassification or change, all subject to further adjustment as provided herein.

3.5 No Fractional Shares; Certificates as to Adjustment

(a) No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon the conversion of shares of Series A Stock, but this Corporation shall pay to the holder of such shares a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the Series A Conversion Price. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series A Stock being converted at any one time by any holder, not upon each share of Series A Stock being converted.

(b) In each case of an adjustment or readjustment of the Series A Conversion Price, this Corporation at its expense will furnish each holder of Series A Stock with a certificate, signed by this Corporation's Chief Financial Officer or Treasurer, showing such adjustment or readjustment and stating in detail the facts upon which such adjustment or readjustment is based.

3.6 Notices of Record Date

In the event of any taking by this Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or other securities or property, or to receive any other right, this Corporation shall mail to each holder of Series A Stock, at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

3.7 Reservation of Stock Issuable Upon Conversion

This Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock such number of its shares of Common Stock as shall be sufficient to effect the conversion of all outstanding shares of the Series A Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

3.8 Notices

Any notice required by the provisions of this Section 3 to be given to the holders of shares of Series A Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder's address appearing on the books of this Corporation.

4. Right to Sell

For purposes hereof, a "***Selling Window***" means a thirty-day period commencing on each anniversary of the issuance of Series A Stock. Each holder of Series A Stock is entitled to sell such shares to the Corporation during the Selling Window following the third and each successive anniversary of the issuance of such shares. If a holder of Series A Stock notifies the Corporation in writing during a Selling Window following the third or any subsequent anniversary of the issuance of such shares that such holder desires to exercise its right to sell hereunder, the Corporation will purchase such shares at the price of one hundred and twenty-four percent (124%) of the Original Series A Issue Price of such shares, less the total amount of any dividends paid to holder prior to the date of such sale.

5. Right to Purchase

The Corporation is entitled to purchase the Series A Stock from any holder of such shares during any Selling Window. If the Corporation notifies a holder in writing during a Selling Window that the Corporation desires to exercise its right to purchase hereunder, the holder shall promptly deliver such shares to the Corporation. The purchase price for such shares shall be one hundred and twenty-four percent (124%) of the Original Series A Purchase Price of such shares, less the total amount of any dividends paid to holder prior to the date of such sale.