

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

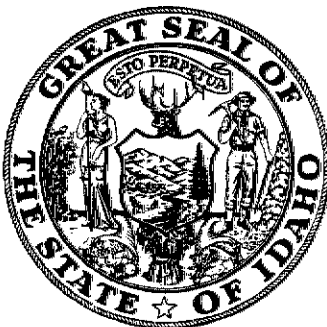
KELLY DEVELOPMENT, INC.

File number C 111490

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: July 27, 1995



Pete T. Cenarrusa
SECRETARY OF STATE

By *[Signature]*

ARTICLES OF INCORPORATION

JUL 25 4 45 PM '95

OF

**SECRETARY OF STATE
STATE OF IDAHO**

KELLY DEVELOPMENT, INC.

JUL 27 10 04 AM '95
**SECRETARY OF STATE
STATE OF IDAHO**

KNOW ALL MEN BY THESE PRESENT: That we, the undersigned, being natural persons of full age and citizens of the United States in order to form a corporation for the purposes hereinafter stated, pursuant to the Business Corporation Act of Idaho, do hereby certify as follows:

ARTICLE I: NAME

The name of this Corporation is Kelly Development, Inc.

ARTICLE II: PURPOSE

The objects and purposes for which this Corporation is formed and the powers of such corporation are as follows:

1. To engage in any commercial, industrial or agricultural enterprise calculated or designed to be profitable to this Corporation, and in conformity with the laws of the State of Idaho.

2. To engage in the sale, purchase, investment, and financing of real and personal property, and the sale, purchase, importing or exporting of merchandise and property of every other manner and description, and to act as agents therefor, and as a factor, agent, procurer or otherwise for or on behalf of another.

3. To buy and sell real estate, personal property, mortgages, contracts, and all other types of investments.

ARTICLE III: EXISTENCE

This Corporation shall have perpetual existence.

ARTICLE IV: CAPITAL STOCK

The capital stock of this Corporation shall be in the sum of \$10,000.00 and shall be divided into 1,000 shares, each share to have a par value of \$10.00. No distinction shall exist between the shares of this Corporation, and all shares shall have the same rights in this Corporation, and shall be non-assessable when paid in full.

ARTICLE V: INCORPORATORS

The names and post-office address of the incorporators and the number of shares subscribed by each are as follows:

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IDAHO SECRETARY OF STATE
7/25/95 5:00:00 PM
Customer # 25053
IVC960004670 16384
CORPORATION PROFIT

1 @ 100.00 = 100.00

O

Steven D. Kelly

127 Southwest 9th St., No. 1,
Ontario, Oregon 97914

Jane E. Kelly

127 Southwest 9th St., No. 1,
Onatrio, Oregon 97914

The private property of the stockholders of this Corporation shall not be subject to the payment of the corporate debts in any amount or to any extent whatsoever.

ARTICLE VI: OFFICE & AGENT

The location and principal office address of this Corporation shall be in 2574 Beverly, Boise, Ada County, State of Idaho, 83709. The initial registered agent shall be Jon N. Wyman located at 1448 W. Bannock, Boise, Idaho 83702.

ARTICLE VII: RESERVES

The directors of the Corporation have power in their discretion to reserve from the profits each year such amount thereof as they may deem necessary and advisable for the purpose of establishing a reserve fund to be used as working capital in the business of the Corporation, and they may employ and use such funds for the purpose of extending the business operation of the Corporation or to purchase its own stock, or to purchase stocks, bonds, or other obligations of other Corporation which it is authorized by law to purchase.

ARTICLE VIII: QUORUM

At all meetings of the shareholders, including adjourned meetings, the presence in person or by proxy of holders of fifty (50) percent of the outstanding shares entitled to vote shall constitute a quorum.

ARTICLE IX: PREEMPTIVE RIGHTS

No holder of shares of any class of the Corporation shall have any preemptive rights to subscribe or acquire additional shares of the Corporation of the same or any other class, whether such shares shall be hereby or hereafter authorized; and no holder of shares or any class of the Corporation shall have any right to acquire any shares which may be held in the treasury of the Corporation; all such additional or treasury shares may be sold for such consideration, at such time, and to such person or persons as the Board of Directors may from time to time determine.

ARTICLE X: DIRECTOR ACTION

Section 1. Meeting Places. Meetings of the shareholders

to time be designated in the Code of By-Laws, or by resolution of the Board of Directors.

Section 2. By Laws. The initial Code of By-Laws of this Corporation shall be adopted by its Board of Directors. The power to amend or repeal the By-Laws or to adopt a new Code of By-Laws shall be in the shareholders, but the affirmative vote of the holders of sixty (60) percent of the shares outstanding shall be necessary to exercise that power. The Code of By-Laws may contain any provisions for the regulation and management of this Corporation which are consistent with the laws of the State of Idaho and these Articles of Incorporation.

Section 3. Conflict of Interests. No contract or other transaction of this Corporation with any person, firm or Corporation or no contract or other transaction in which this Corporation is interested shall be invalidated or affected by (a) the fact that one or more of the directors of this Corporation is interested in or is a director or officer of another Corporation, or (b) the fact that any director, individually or jointly with others, may be party to or may be interested in the contract or transaction; and each person who may become a director of this Corporation is hereby relieved from any liability that might otherwise arise by reason of his contracting with this Corporation in which he may be interested.

Section 4. Compensation. The Board of Directors shall have the authority to make provision for reasonable compensation to its members for their services as directors and to fix the basis and conditions upon which this compensation shall be paid. Any director may also serve the Corporation in any other capacity and receive compensation therefrom in any form.

Section 5. Quorum. At all meetings of the Board of Directors of this Corporation, the presence in person or by proxy of majority of the Board of Directors entitled to vote shall constitute a quorum.

Section 6. Proxy. Any director absent from a meeting may be represented by any other director or shareholder, who may cast the vote of the absent director according to written instructions, general or specific of the absent director.

ARTICLE XI: NUMBER OF DIRECTORS

The number of directors of this Corporation shall not be less than one (1) or more than six (6), who shall be elected annually. The initial directors shall be Steven D. Kelly and Jane E. Kelly.

ARTICLE XII: RIGHT OF INSPECTION

Each shareholder shall have the unqualified right and privilege to examine all corporate books, records, and correspondence.

ARTICLE XIII: FUNDAMENTAL CHANGES

The affirmative vote of sixty (60) percent of the holders of the outstanding shares entitled to vote shall be necessary for the following corporate action:

1. Amendments to the Articles of Incorporation;
2. Merger or consolidation of the Corporation;
3. Reduction or increase of the stated capital of the Corporation;
4. Reduction or increase in the number of authorized shares of the Corporation;
5. Sale, lease or exchange of the major portion of the property or assets of the Corporation;
6. Dissolution of the Corporation.

ARTICLE XIV: REMOVAL OF DIRECTORS

Any Director or the entire Board of Directors may be removed without assigning cause by the affirmative vote of holders of sixty (60) percent of the outstanding shares.

ARTICLE XV: DEATH OF EMPLOYEE-STOCKHOLDER

In the event that any holder of stock ceases to be an employee of the Corporation, for any cause other than death, or retirement or a pension allowed by the Corporation, the Corporation, is hereby given an option to purchase all the stock held by such stockholder at the price hereinafter provided.

ARTICLE XVI: ISSUANCE OF STOCK

Any shares of stock herein authorized or hereinafter increased or created may be issued or purchased and sold from time to time by the Corporation, under authority or with the approval of the Board of Directors, to any of the employees, including officers and Directors of this Corporation, or of any corporation or association in which, or in the welfare of which, the Corporation shall have any interest, and those actively engaged in the conduct of the business of the Corporation, or to a Trustee or Trustees or, their behalf or, such basis of classification and eligibility, with payment at such price, at one time, or in such installments, compensation for services, or otherwise, and or such other terms

and conditions as may be determined from time to time by the Board of Directors.

ARTICLE XVII: REDEMPTION

By a sixty (60) percent vote of the full Board of Directors of the number fixed by the stockholders at their last annual meeting, all or any shares of stock of the corporation held by such holder or holders as may be designated in such vote may be called at any time for purchase, or for retirement or cancellation, in connection with any reduction of capital stock, at the value of such shares as determined by the Board of Directors as of the close of the month next preceding such vote. Such determination, including the method thereof and the matters considered therein, shall be final and conclusive.

Not less than thirty (30) days prior to the day for which a call of shares of stock for purchase or for retirement or cancellation, is made, notice of such call shall be mailed to each holder of shares of stock called at his address as it appears on the books of the Corporation. The Corporation shall, not later than said day, deposit with a national bank or trust company in Boise, Idaho, to be designated in such notice, for the account of such stockholder, the amount of the purchase price of the shares so called, including any accrued dividends. After Such notice and deposit all shares so called shall be deemed to have been, transferred to the Corporation, or retired or canceled as the case may be, and the holder shall cease to have, in respect thereof, any claim to future dividends or other rights as stockholder, and shall be entitled only to the sums so deposited for his account. Any shares so acquired by the Corporation may be held and may be disposed of at such times, and in such manner, and for such consideration as the Board of Directors shall determine.

ARTICLE XVIII: RESTRICTION ON STOCK TRANSFERS

No shareholder shall have the right or power to pledge, hypothecate, sell or otherwise dispose of any voting share or shares of capital stock of this Corporation without first offering the said voting share or shares of stock for sale or other disposition to the other voting shareholders of this Corporation under the terms and conditions as hereinafter set forth.

1. Before any shareholder may pledge, hypothecate, sell or otherwise dispose of any voting share or shares of capital stock of this Corporation, he shall first give written notice to the Secretary of this Corporation of his intention to dispose of such shares. Said notice shall contain the following information: the number of voting shares to be disposed of; the price or other consideration per share; the terms upon which such disposition is to be made; and the name of the person or persons to whom such disposition, is to be made. The delivery of such notice to the

Secretary shall constitute an, offer by the shareholder delivering the same to pledge, hypothecate, sell or otherwise dispose of said shares to the Corporation for the consideration and upon the terms stated in said written notice.

2. Within five days after the receipt of such notice the Secretary of the Corporation shall call a special meeting of the Board of Directors by delivering notice thereof to them in accordance with the By-Laws of this Corporation for the purpose of acting upon the offer. At such meeting, the Corporation shall be entitled in the first instance to undertake the pledge, hypothecation, sale or other disposition of such portion of the shares referred to in said notice to the Secretary.

3. The secretary of the Corporation shall communicate the acceptance or rejection of said offer by the Corporation personally or by registered mail, charges prepaid, to the address of the offering shareholder appearing on the books of the Corporation or given by him to the Corporation in the notice referred to above.

4. The filing of a voluntary or involuntary petition in bankruptcy by any shareholder and the occurrence of any insolvency of any shareholder, the making of an assignment for the benefit of creditors or the entrance into any composition agreement with creditors shall be construed as an offer to sell all of the voting shares of such shareholder to the remaining shareholders under the terms hereof, at a sales price equal to the book value of such shares of stock of this Corporation. The secretary of the Corporation, within five (5) days of obtaining actual knowledge of such bankruptcy, insolvency or execution of a composition agreement with creditors by any shareholder, shall call a meeting in the same manner for the same purpose as set forth in paragraph 2 hereof, and shall communicate acceptance or rejection of said offer in accordance with the terms of paragraph 3 hereof.

5. The offers described in paragraphs 1 and 4 shall be irrevocable for a period of ninety (90) days from the date of delivery of notice to the secretary of this Corporation, or in the case of the happening of any of the events set out in paragraph 4, from the date of actual knowledge of such event by the secretary of the Corporation.

6. The pledge, hypothecation, sale, gift, or other disposition of any voting share or shares of the capital stock of this Corporation made under and by virtue of a written consent to such disposition signed by all of the shareholders of this Corporation holding voting shares and filed with the secretary of this Corporation is expressly excepted from the restrictions herein imposed; provided, however, that any such disposition shall be made only upon the terms and conditions and to the person or persons named in such written consent filed with the Corporation.

7. If the offer is rejected under paragraph 1 because the offering price is too great, then the secretary of the Corporation shall, within five days after delivery of such notice of rejection select another holder of such stock as an appraiser and give written notice of his name and address to the person desirous of making such transfer. The offering shareholder shall act as an appraiser. The two appraisers so selected shall within ten (10) days after the giving of the last named notice,, select a third appraiser who shall be experienced in the business of loaning money or in banking and who shall reside or be engaged in business in the city in which the general administrative office of the Corporation is located; and they shall at once notify both parties in writing of the name and residence address of the third appraiser.

8. If the two appraisers so selected shall not within ten (10) days select a third appraiser, either party may apply on five (5) days written notice to the other, to any judge or any court of general jurisdiction in the above mentioned city for the appointment of a third appraiser.

9. The three appraisers so selected shall within twenty (20) days after the selection of the third appraiser appraise such share or shares proposed to be sold, transferred, or foreclosed and the majority of them shall determine their value as of the time of such appraisal and shall forthwith give written notice of their determination to both parties. In determining the value, good will shall not be considered.

10. The appraisal shall take place at the general administrative office of the Corporation and the appraisers shall notify both parties in writing of the time when the appraisal will be made; each party shall pay the expenses and fees of the appraiser selected by him or by it, and one-half of the expenses and fees of the third appraiser.

11. The Board of Directors shall thereupon have the option, for ten (10) days after receipt by the Corporation of written notice of the determination of the appraisers, of purchasing the share or shares for the Corporation at the appraised value.

12. If all the stock of the stockholder desiring to make a disposition thereof is not purchased or retired by the Corporation, in accordance with these provision, then the stock not so purchased or retired shall be offered for sale under the same terms and price and shall be subject to an option on the part of each of the stockholders to purchase a proportionate share, which option shall be exercised, if at all, at the time of the meeting of the stockholders called by the president by giving written notice of the meeting within twenty (20) days after receipt by the Corporation of written notice of the determination of the ap-

praisers. The meeting must be held no less than ten (10) nor more than twenty (20) days after giving such notice.

13. Should acceptable offers be made which would amount to a demand in excess of the number of shares for sale, these shall be distributed in proportion to the number of shares held by the shareholders who will have made such purchase proposals and within the limit of their requests.

14. In the event that the offers set forth in paragraphs 1 and 4 are rejected or are not accepted within the time specified herein, than and in such event such shareholder may pledge, hypothecate, sell, give or otherwise dispose of such shares named in such notices to such persons and upon such terms as set forth in such notices. Any deviation in the terms of such disposition, however slight, shall require the making of a new offer under the new terms as altered in accordance with the provisions as herein set forth.

15. Except as provided in paragraph 14, if the offer is not accepted or is rejected by both the Corporation and the shareholders or any portion of them within the time specified herein, the offering shareholder shall have the power to hypothecate, sell, pledge, give or otherwise dispose of such shares as the offering shareholder may desire under such terms as he deems agreeable.

16. Notwithstanding any of the provisions of this Article, any stockholder may either, during his lifetime or upon his death, by will, trust, or by the operation of the law of descent distribution in the event of intestacy, transfer by gift, sale, or other disposition, transfer any shares to any other holder of stock or any member of his immediate family. The term "immediate family" shall be construed to mean spouse, parents, issue, and the spouse of any issue, brothers, sisters, nephews and nieces.

ARTICLE XIX: CONFIDENTIAL INFORMATION

Any member of the Corporation either as shareholder, director, or officer, who permits or allows or caused to be given out information confidential to the Corporation or corporate business shall be grounds for redemption of the stock held by person by the Corporation. The price shall be the book value of the Corporation.

No stock of the original incorporators or their families shall be redeemed by the Corporation without the consent of such holders of stock, unless a violation occurs as specified in the first paragraph of this Article.

IN WITNESS WHEREOF, these Articles of In have been executed in Boise, Idaho, this day of July, 1995.

executed in Boise, Idaho, this 20th day of July, 1995.

Steven D. Kelly

Jane E. Kelly

STATE OF IDAHO)
) ss.
County of ADA)

On this 20th day of July, 1995, before me, Mardee A. Wyman, a Notary Public in and for said state, personally appeared Steven D. Kelly, and Jane E. Kelly, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Mardee A. Wyman
Notary Public for Idaho
Residing at Boise
My Commission Expires: 6/98