

State of Idaho

Department of State

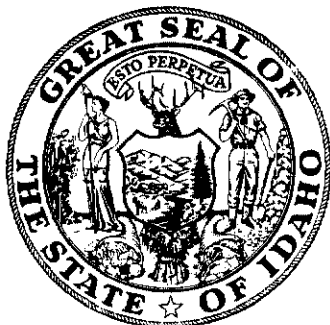
CERTIFICATE OF AMENDMENT OF

BLUE EAGLE MINING COMPANY
File Number C 15026

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of BLUE EAGLE MINING COMPANY duly executed 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 Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

Dated: June 23, 1997



Pete T. Cenarrusa
SECRETARY OF STATE

By *Alice Hartley*

97 JUN 18 AM 8:39
SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION
OF
BLUE EAGLE MINING COMPANY

Pursuant to the provisions of Section 30-1-61 of the Idaho Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is Blue Eagle Mining Company.

SECOND: The following amendments of the Articles of Incorporation were adopted by the shareholders of the corporation on June 11, 1997, in the manner prescribed by the Idaho Business Corporation Act:

Article IV of the corporation's Articles of Incorporation is amended as follows:

"The corporate existence of this corporation shall be perpetual."

Article III of the corporation's Articles of Incorporation is amended as follows:

"That the corporation's principal place of business shall be in the City of Coeur d'Alene, Kootenai County, State of Idaho".

THIRD: The number of shares of the corporation outstanding at the time of such adoption was 1,893,514, 1,985,123 shares issued, less 91,609 Treasury Shares; and the number of shares entitled to vote thereon was 1,893,514.

FOURTH: The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows:

Class
None

Number of Shares
None

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FIFTH: The number of shares voted for such amendments was 898,565; and the number of shares voted against such amendments was 88,938, as follows:

In person - For Amendments	6,000
By Proxy - For Amendments	892,565
By Proxy - Against Amendments	88,938
Blank Proxies	<u>11,333</u>

TOTAL-----998,836

There were 898,565 shares voted in favor of the motions, or 89.96% of those represented at the meeting.

SIXTH: The number of shares of each class entitled to vote thereon as a class voted for and against such amendment, respectively, was:

<u>Class</u>	<u>Number of Shares Voted</u>	
	<u>For</u>	<u>Against</u>
None	None	None

SEVENTH: The manner in which any exchange, reclassification or cancellation of issued shares provided for in the amendment shall be effected is as follows:

Not applicable.

EIGHTH: The manner in which such amendment effects a change in the amount of stated capital, and the amount of stated capital as changed by such amendment, are as follows:

Not applicable.

DATED this 16 day of June, 1997.

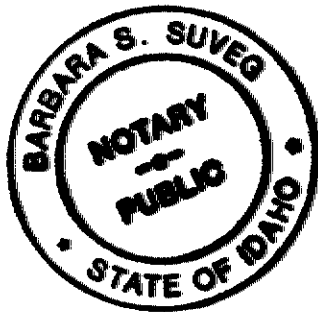
BLUE EAGLE MINING COMPANY

By Paul J. Huetter
Paul J. Huetter, Pres.

By Donald L. Hess
Donald L. Hess, Sec.

STATE OF IDAHO)
 ss.
County of Kootenai)

I, BARBARA S. SUVEG, a Notary Public, do hereby certify that on this 11th day of June, 1997, personally appeared before me PAUL J. HUETTER and DONALD L. HESS, who being by me first duly sworn, declared that they are the President and Secretary respectively of BLUE EAGLE MINING COMPANY, that they signed the foregoing document as President and Secretary of the corporation, and that the statements therein contained are true.



Barbara S Suveg
Notary Public for Idaho
Residing at Coeur d'Alene
My Commission expires:

March 1, 2001

TRAR 25 14 JUL 97

IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF SHOSHONE

IN THE MATTER OF THE CORPORATE
LIQUIDATION OF:

BLUE EAGLE MINING COMPANY,

CASE NO. CV-96-33317

MEMORANDUM ORDER ON
OBJECTION TO PETITION FOR
LIQUIDATION OF CORPORATION

SYNOPSIS

R. Romer Brown, a shareholder of the above Corporation, has petitioned for liquidation of corporate assets pursuant to I.C. 30-1-138, alleging that the Corporation was dissolved by expiration of its period of existence on April 18, 1975, having been incorporated in 1925 with a life of 50 years rather than perpetual. For the reasons to follow, the objection of Paul Huetter, registered agent and an acting officer of the Corporation, is qualifiedly sustained.

DISCUSSION

Blue Eagle Mining Co. was incorporated in 1925 for a period of 50 years. In 1975, the corporation failed to take steps to extend its status as a corporation. The limited life of the corporation was, however, evidently overlooked by both the Corporation and the Idaho
MEMORANDUM ORDER ON OBJECTION TO PETITION FOR LIQUIDATION -1-

Secretary of State, and the Company continued to conduct business. However, the Corporation's powers were twice forfeited and twice reinstated thereafter, the first forfeiture occurred November 30, 1978, with reinstatement January 4, 1980, and the second forfeiture occurred December 1, 1983, with reinstatement on October 31, 1984. The last Idaho Corporation Annual Report Form was filed with the Idaho Secretary of State in 1985. I.C. 30-1-134 provides in part that any domestic corporation which fails to file its annual report on or before November 1 of the year for which it is required shall forfeit its corporate powers on December 1 of the year. Nevertheless, the Company continued to plug along, and documents filed with the court showed that the Corporation has continued to pay taxes on its properties and has a current contract in process to raise revenue through logging operations on its property.

I.C. 30-1-138 provides in pertinent part that: "Domestic corporations will be dissolved by operation of law on March 1 of the year following the tenth anniversary of their forfeiture, unless their corporate powers are earlier reinstated." According to this statute, Blue Eagle should be dissolved and liquidated.

However, I.C. 30-1-105, in pertinent part reads, "If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time so as to extend its period of duration; provided, that the failure to extend prior to expiration was inadvertent and that the officers and directors have continuously operated as if the corporation was in existence. This right to retroactively extend corporate existence is available only if the expiration of the period of duration is the only reason for which the corporation was or could have been involuntarily dissolved." (Emphasis added).

Additionally, I.C. 30-1-58 provides that "a corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired. . . In particular, and without limitation upon such general power of amendment, the corporation may amend its articles of incorporation, from time to time, so as: . . . (b) to change its period of duration, either before or after its period of duration has expired." (Emphasis added).

Petitioner contends that the retroactive extension of corporate existence provided at I.C. 30-1-105 is not available here to the Company because the expiration of the period of duration was not "the only reason for which the corporation was or could have been involuntarily dissolved," the noted failure to file required annual report forms since 1985 providing an additional basis for dissolution by operation of law on March 1 of the year following the tenth anniversary of the forfeiture, per I.C. 30-1-138.

The Court holds that petitioner's argument here cannot be sustained because it finds that I.C. 30-1-138 is inapplicable. That statute provides for dissolution ten years after forfeiture, but here there could be no forfeiture in 1985 because the corporation was already dissolved by the expiration of its period of duration in 1975. Any grounds for subsequent forfeiture of an already dissolved corporation are meaningless, and a second dissolution following a 1986 forfeiture by ten years is also meaningless. By definition, once a corporation has been dissolved it cannot thereafter have its rights to do business forfeited, with a second dissolution to follow the forfeiture by ten years.

Thus, in this case, "the expiration of the period of duration is the only reason for which the corporation was or could have been involuntarily dissolved," as provided at I.C. 30-1-105. Moreover, the record clearly supports the finding that the failure to extend prior to

MEMORANDUM ORDER ON OBJECTION TO PETITION FOR LIQUIDATION -3-

expiration was inadvertent and, further, "that the officers and directors have continuously operated as if the corporation was in existence."

Accordingly, because the only reason for which the Corporation was dissolved in 1975 was failure to extend its period of duration, because this occurred due to inadvertence, and because no other reason existed in 1975 to dissolve the Corporation, and because the Idaho Secretary of State has certified that Blue Eagle Mining Company was dissolved on April 18, 1975, the Company may now, if it chooses, retroactively amend its articles of incorporation to extend its period of duration. I.C. 30-1-105 and 30-1-58 so provide. Again, if the articles of incorporation are amended at its April, 1997, meeting to retroactively extend its corporate existence, Blue Eagle Mining Company may do so. If not, the Company should choose someone to act as receiver so liquidation may occur.

IT IS SO ORDERED.

ENTERED this 21st day of March, 1997.


CRAIG C. KOSONEN, District Judge

I hereby certify a true and correct copy of the foregoing was mailed, postage prepaid, this
5th day of March, 1997, to the following:

R. Romer Brown
BROWN & JUSTH
P.O. Box 1148
Coeur d'Alene, Idaho 83816

Kenneth T. Jacobsen
DOLAN & JACOBSEN
P.O. Box 1116
Coeur d'Alene, Idaho 83816

ALL FIRST DISTRICT COURT JUDGES

MARCIA WINGFIELD, CLERK OF COURT

By Jennie Jacobsen
Deputy Clerk

PHILIP E. DOLAN
KENNETH T. JACOBSEN

(208) 664-8258
FAX (208) 667-9631

DOLAN & JACOBSEN
ATTORNEYS AT LAW
LIBERTY BUILDING
118 N. 7TH ST. - P.O. Box 1116
COEUR D'ALENE, IDAHO 83816-1116

97 JUN 18 AM 8:39
SECRETARY OF STATE
STATE OF IDAHO

June 16, 1997

Secretary of State
State of Idaho
Corporations Division
P. O. Box 83720
Boise, Idaho 83720-0080

Re: Blue Eagle Mining Company

Dear Sir:

Enclosed for filing are duplicate originals of Articles of Amendment and my office check in the amount of \$30.00. The registered agent for this corporation is Paul J. Huetter whose physical address is 421 Coeur d'Alene Avenue, Coeur d'Alene, Idaho 83814, and mailing address is P. O. Box 621, Coeur d'Alene, Idaho 83816.

Thank you for your attention to this matter.

Very truly yours,


Kenneth T. Jacobsen

KTJ:bjm
Enclosures

Original 4/18/75