

**FILED EFFECTIVE**

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Trinity Springs Ltd.  
160 7th Street W., Suite 2C  
Ketchum, Idaho 83340

2003 DEC -9 PM 4: 52

AFTER FILING MAIL TO:

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CLERK OF STATE  
STATE OF IDAHO**ARTICLES OF AMENDMENT****TO THE****ARTICLES OF INCORPORATION****OF**

**TRINITY SPRINGS, LTD.**  
(an Idaho corporation)

Pursuant to the provisions of Sections 30-1-602, 30-1-1002 and 30-1-1006 of the Idaho Business Corporation Act (the "Act"), the undersigned corporation hereby adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of this corporation is Trinity Springs, Ltd. (the "Company").

2. The Company hereby designates 5,178,333 shares of the Preferred Stock as Series A Preferred Stock. The Articles of Designations, Rights, Preferences, and Limitations of Series A Preferred Stock, attached hereto as Exhibit A, is hereby incorporated into and made a part of the Articles of Incorporation of the Company.

3. The foregoing amendments to the Articles of Incorporation were duly adopted by the Board of Directors of the Company without shareholder action as expressly permitted by the Articles of Incorporation and in the manner prescribed by the Act.

4. The foregoing amendments to the Articles of Incorporation do not provide for any exchange, reclassification or cancellation of issued shares.

IDAHO SECRETARY OF STATE  
12/10/2003 05:00  
CK: 3692 CT: 2105 BH: 715803  
1 @ 30.00 = 30.00 AMEND PROF # 2  
1 @ 20.00 = 20.00 EXPEDITE C # 3

C93949

**IN WITNESS WHEREOF**, these Articles of Amendment are hereby executed, effective as of the 29th day of September 2003.

TRINITY SPRINGS, LTD.  
an Idaho corporation

By: 

Ronald Lloyd, President and CEO

**EXHIBIT A****TRINITY SPRINGS, LTD.****ARTICLES OF DESIGNATIONS, RIGHTS, PREFERENCES, AND LIMITATIONS**

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The Company hereby designates 5,178,338 shares of the Preferred Stock as Series A Preferred Stock (the "Shares"). The preferences, limitations and relative rights of this class of Series A Preferred Stock are as follows:

**Dividends:** The holders of the Shares shall be entitled to receive cumulative stock dividends at an annual rate of 15%, compounded annually (as adjusted for stock splits, stock dividends, reorganizations or the like), until the sooner of: (i) when the Company has experienced two consecutive quarters of being operationally cash flow positive (excluding the impact of depreciation and amortization) or (ii) five years.

Stock dividends will be issued as additional Shares.

The stock dividends will begin to accrue on the date subscriptions proceeds are deposited by the Company (or the date the Company receives a wire confirmation, as the case may be). Dividends will be prorated over a 365-day year.

**Voluntary Conversion:** The holders of the Shares shall have the right to convert the Shares, at the option of the holder, at any time, into shares of Common Stock. The initial conversion rate shall be one Share into one share of Common Stock, subject to proportional adjustment for stock splits, stock dividends, recapitalizations and the like.

**Automatic Conversion:** The Shares shall be automatically converted into Common Stock, at the then applicable conversion price, (i) in the event that the holders of at least two-thirds of the outstanding Shares consent to such conversion; (ii) upon the closing of a firmly underwritten public offering of Common Stock; or (iii) after the Company achieves one full year (any four consecutive quarters) of being

operationally cash flow positive (excluding the impact of depreciation and amortization).

**Liquidation Preference:** In the event of any liquidation or winding up of the Company, the holders of the Shares shall be entitled to receive in preference to the holders of Common Stock a per share amount equal to 1.5 times the original purchase price paid for the Shares (as adjusted for any stock splits, dividends and the like) plus any declared but unpaid dividends, which amount shall increase fifteen percent (15%) per annum up to two times (2x) the original purchase price paid for the Shares (the "Liquidation Preference"). The Liquidation Preference shall be computed on a 365 day year basis or the number of days elapsed. After the payment of the Liquidation Preference to the holders of the Shares, the remaining assets of the Company shall be distributed ratably to the holders of the Common Stock.

A merger, acquisition, sale of voting control (in which the shareholders of the Company immediately prior to the transaction do not own a majority of the outstanding shares of the surviving corporation) or sale of substantially all the assets of the Company shall be deemed to be a liquidation.

**Redemption:** None.

**Voting Rights:** The Shares will vote together with the Common Stock and not as a separate class except as specifically provided herein or as otherwise required by law. Each Share shall have a number of votes equal to the number of shares of Common Stock then issuable upon conversion of such Share.

**Information Rights:** On request, until conversion, the Company will use its best efforts to provide the holders of Shares with quarterly, unaudited, available financial statements.

**Right of First Refusal:** In the event the Company proposes to offer equity securities to any person (other than the Shares), each holder of Shares shall have the right of first refusal to purchase up to its pro rata share (based on its percentage equity ownership of Common Stock, measured on a fully-diluted basis) on the same price and terms and conditions as the Company offers such securities to other potential investors. The holders of Shares shall have ten (10) days from receipt of notice to exercise such right.

The right of first refusal shall not apply to Exempted Issuances and shall terminate immediately prior to an initial public offering or an acquisition, merger or consolidation of the Company in which the holders of the Company's voting equity securities immediately prior to the transaction own less than 50% of the voting securities of the surviving corporation.

Exempted Issuances: (i) shares of Common Stock to employees, consultants, officers or directors of the Company pursuant to stock option plans approved by the Company's Board of Directors, (ii) shares of Common Stock or rights to purchase Common Stock issued for consideration other than cash pursuant to a merger, consolidation, acquisition or similar business combination approved by the Board of Directors, (iii) shares of Common Stock or rights to purchase Common Stock issued in connection with equipment lease financing arrangements, credit agreements, debt financings, or other commercial transactions approved by the Board of Directors, (iv) shares of Common Stock upon conversion of or as a dividend or distribution on the Shares, (v) shares of Common Stock in an initial public offering or other public offering in which all of the Shares will be converted, (vi) shares of Common Stock subject to outstanding options, warrants, notes or other convertible securities outstanding as of the date hereof, or (vii) securities issued pursuant to stock splits, stock dividends, reorganizations or like transactions.

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