

FILED EFFECTIVE

ARTICLES OF INCORPORATION
OF
IDAHO FIRST BANK (PROPOSED)

03-03 PM 3:19

CLERK OF STATE
STATE OF IDAHO

Pursuant to the Idaho Business Corporation Act, § 30-1-101, *et seq.*, Idaho Code (the "Act"), the undersigned Incorporator adopts the following Articles of Incorporation:

ARTICLE I
Name and Corporate Location

The name of the corporation is IDAHO FIRST BANK (the "Corporation").

ARTICLE II
Registered Office and Address for Notices

The address of the Corporation's registered office in the State of Idaho and its address for notices is P.O. Box 2950, McCall Idaho 83635. The name of the Corporation's registered agent William H Thomas 250 S 5th Ste 660 Boise ID 83702

ARTICLE III
Incorporator

The name and address of the Incorporator is William H. Thomas, P.O. Box 2188, Boise, Idaho 83701.

ARTICLE IV
Purpose and Powers

The purpose of the Corporation is to transact the business of banking and all other business not forbidden by law for which corporations may be formed under the General Corporation Law of Idaho and the Idaho Bank Act, including specific authorization for insurance sales.

ARTICLE V
Authorized Shares

SECTION 1. Authorized Shares. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 2,000,000 shares of Common Stock, par value \$5.00 per share ("Common Stock").

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SECTION 2. Rights of Holders of Common Stock. Each holder of Common Stock shall be entitled to one vote for each share of Common Stock held of record on all matters on which stockholders generally are entitled to vote. Dividends may be paid on the Common Stock at such times and in such amounts as the Board of Directors may determine provided payment is authorized under applicable law. Upon the dissolution, liquidation or winding up of the Corporation, the holders of the Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them, respectively.

There shall be no cumulation of votes for the election of Directors or for any other purpose.

Every share of Common Stock shall have the same relative rights as, and be identical in all respects with, all the other shares of Common Stock.

ARTICLE VI Board of Directors

SECTION 1. Number. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors which shall consist of not less than five (5) nor more than fifteen (15) persons. The exact number of Directors within the minimum and maximum limitations specified in the preceding sentence shall be fixed from time to time by the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors. A majority of the members of the Board of Directors shall be residents of the State of Idaho.

SECTION 2. Terms. Beginning with the first annual meeting of stockholders held after the filing of these Articles of Incorporation, the Board of Directors shall be classified in groups as nearly equal in number as possible and shall be initially elected to the board for staggered terms of one (1), two (2) and three (3) years, respectively. The term of each group shall end as of the date of the Annual Meeting of the shareholders or the date of election and qualification to serve of their successors. Upon expiration of each such initial term, the successors of each group shall be elected to serve for a term of three (3) years and until their successors shall be elected and qualified, or until their earlier resignation or removal.

SECTION 3. Stockholder Nomination of Director Candidates. Stockholder nominations for the election of Directors shall be given in the manner provided in the Bylaws of the Corporation.

SECTION 4. Newly Created Directorships and Vacancies. Directors serving in newly created Directorships resulting from any increase in the authorized number of Directors shall serve until the next Annual Meeting of Stockholders. Vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office, or other cause

shall be filled by a majority vote of the Directors then in office although less than a quorum of Directors, and Directors so chosen shall hold office for a term expiring at the next Annual Meeting of Stockholders. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

SECTION 5. Removal For Violation of Oath of Office. Any Director may be removed from office at any time for violation of his oath of office by the affirmative vote of two-thirds (2/3) of the entire board, exclusive of the director to be removed.

SECTION 5.1. Removal for Cause. Any Director, or the entire Board of Directors, may be removed from office at any time, but only for "cause" and only by the affirmative vote of at least two-thirds of the voting power of all the shares of the Corporation entitled to vote in the election of Directors, voting together as a single class at a meeting called for such purpose and for which the meeting notice states the purpose, or purposes, of the meeting is removal of a director. For the purposes of this Article VI, cause shall be defined as:

- (a) the receipt of a financial benefit to which such director is not entitled;
- (b) an intentional infliction of harm to the Corporation or its Shareholders;
- (c) a violation of § 30-1-833, Idaho Code, in effect as of the date these Articles are filed or as may be subsequently amended; or
- (d) an intentional violation of criminal law.

SECTION 6. Initial Directors. The names and addresses of the persons who are to serve as Directors until the first annual meeting of stockholders or until their successors are elected and qualified are as follows:

Name and Address

Greg Lovell, PO Box 4522, Ketchum, ID 83340
Don Driscoll, PO Box 1669, McCall, ID 83635
Daniel Krahn, 211 E. Lake St., McCall, ID 83638
Chris Kirk, 13579 Highway 55, McCall, ID 83638
Brenda Totorica, PO Box 78, McCall, ID 83635
James L. Fletcher, 15724 Beach Dr. N.E., Seattle, WA 98155
Natalie Barry, P.O. Box 409, McCall, ID 83635
Terry Robinson, P.O. Box 2200, Napa, CA 94558

ARTICLE VII Stockholder Action

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be affected by any consent in writing by such stockholders. Except as otherwise required by law, special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

ARTICLE VIII Bylaw Amendments

The Board of Directors shall have power to make, alter, amend, and repeal the Bylaws of the Corporation (except so far as the Bylaws of the Corporation adopted by the stockholders shall otherwise provide). Any Bylaws made by the Board of Directors under the powers conferred hereby may be altered, amended or repealed by the Board of Directors or by the stockholders. Notwithstanding the foregoing and anything contained in these Articles of Incorporation or the Bylaws to the contrary, Sections 1 through 5 of Article II of the Bylaws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of two-thirds (2/3) of all votes entitled to be cast in the election of Directors.

ARTICLE IX Certain Board Actions Relating to Officers

When evaluating any offer of another party for a tender or exchange offer for any equity security of the Corporation, or any proposal to merge or consolidate the Corporation with another corporation, or to purchase or otherwise acquire all of or substantially all of the properties and assets of the Corporation, the directors of the Corporation may, in determining what they believe to be in the best interests of the Corporation and its shareholders, give due consideration to the social, legal and economic effects on employees, customers and suppliers of the corporation and its subsidiaries, and on the communities and geographical areas in which the Corporation and its subsidiaries operate, the economy of the state and the nation, and the long-term as well as short-term interests of the Corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the Corporation and other relevant facts.

ARTICLE X Director Liability

SECTION 1. Elimination of Liability. No Director or officer acting in the capacity of a Director or performing duties as Director shall be personally liable to the Corporation or any stockholder for monetary damages for any action taken or failed to be taken as a Director, provided that this Article X shall not eliminate or limit liability of a director or officer for (i) the amount as a financial benefit to which such officer or director was not entitled; (ii) an intentional infliction of harm on the Corporation or its shareholders; (iii) a violation of § 30-1-833, Idaho Code, in effect as of the date these Articles are filed or as they may be subsequently amended; (iv) an intentional violation of criminal law; or (v) participation in any violation of the laws of Idaho relative to banks or banking. Neither the Amendment nor repeal of this Article, nor the adoption of any provision of the Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim, that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE XI Amendments to Articles of Incorporation

SECTION 1. Amendment by Affirmative Vote. These Articles of Incorporation may be amended only by the directors with the affirmative vote or a majority of shareholders. Notwithstanding any other provisions of these Articles of Incorporation or the Bylaws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law), the affirmative vote of the holders of at least two-thirds (2/3) of all votes entitled to be cast in the election of Directors shall be required to amend or repeal, or adopt any provisions inconsistent with Articles V, VI, VII, VIII, IX, X, XI, or XII of these Articles of Incorporation.

SECTION 2. Subsequent Statutory Amendments. If Idaho law is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by Idaho law as so amended.

ARTICLE XII Indemnification and Advancement of Expenses

SECTION 1. Indemnification. To the fullest extent permitted by the Act and the Corporation's Bylaws, the Corporation shall indemnify any director or officer of the Corporation made a party to a proceeding, because the person is a director or officer of the Corporation, against liability incurred in that proceeding; provided, however, no indemnification pursuant to this Section 1 shall indemnify any director from or on account of:

- (1) receipt of a financial benefit to which he or she is not entitled;
- (2) an intentional infliction of harm on the Corporation or its shareholders;
- (3) a violation of § 30-1-833, Idaho Code, in effect as of the date these Articles are filed or as may be subsequently amended;
- (4) an intentional violation of criminal law; or
- (5) participation in any violation of the oath of office or any laws of Idaho relative to banks or banking.

SECTION 2. Advancement of Expenses. The Corporation may, but shall not be required to, pay for or reimburse the reasonable expenses incurred by a director or officer who is a party to a proceeding in advance of the final disposition of the proceeding to the fullest extent permitted by the Act, and in particular § 30-1-853, Idaho Code, in effect as of the date these Articles are filed or as may be subsequently amended.

SECTION 3. Certain Definitions. For purposes of this Article XII, the terms “corporation, director, disinterested director, expenses, liability, official capacity, party and proceeding” shall have the meaning given to them in § 3-1-850, Idaho Code, as in effect as of the date these Articles of Incorporation are filed or as may be subsequently amended.

SECTION 4. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is a director or officer of the Corporation or one of its subsidiaries or is serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other entity against liability asserted against or incurred by that person in such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify that person against the same liability under the provisions of this Article XII or under applicable Idaho law.

SECTION 5. Purpose and Exclusivity. The indemnification referred to in the various subsections of this Article XII shall be deemed to be in addition to and not in lieu of any other rights to which those indemnified may be entitled under any statute, specifically but without limitation § 30-1-850 through 30-1-859, Idaho Code, in effect as of the date these Articles are filed (or as may be subsequently amended), rule of law or equity, agreement, vote of the shareholders or Board of Directors or otherwise. The Corporation is authorized to enter into agreements of indemnification. The purpose of this Article XII is to augment the provisions of applicable Idaho law dealing with indemnification.

SECTION 6. Severability. If any of the provisions of this Article XII are found, in any action, suit or proceeding, to be invalid or ineffective, the validity and the effect of the remaining provisions shall not be affected.

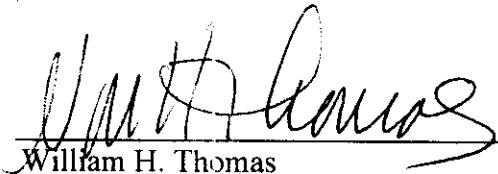
ARTICLE XIII
Merger Vote

SECTION 1. Required Shareholder Vote. In order for a Plan of Merger or Share Exchange to be approved by the shareholders of the Corporation, two-thirds (2/3) of the shares entitled to vote must vote in favor of the plan.

SECTION 2. Article Amendment or Repeal. Notwithstanding any other provisions of the Articles or the Bylaws of the Corporation, the provisions of this Article XIII may not be amended or repealed, and no provisions inconsistent herewith may be adopted by the Corporation, without the affirmative vote of two-thirds (2/3) of all the votes entitled to be cast on the matter.

ARTICLE XIV
Incorporator

I, the undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Idaho, make these Articles, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 22nd day of February 2005.



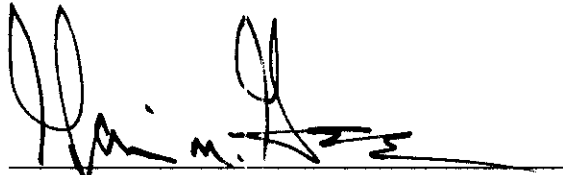
William H. Thomas

CERTIFICATE OF APPROVAL

Secretary of State
State of Idaho
Statehouse
Boise, Idaho

This is to certify that I, the undersigned, Director of Finance, State of Idaho, do hereby approve for filing the attached Articles of Incorporation of Idaho First Bank dated the ____ day of February, 2005.

DATED This 2ND day of MARCH, 2005.

A handwritten signature in black ink, appearing to read 'Gavin M. Gee', is written over a horizontal line.

Gavin M. Gee
Director of Finance