

# State of Idaho

## Department of State

### CERTIFICATE OF INCORPORATION OF

PAUL H. RICHINS & CO., INC.

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: November 23, 1987



*Pete T. Cenarrusa*  
SECRETARY OF STATE

by: *Sandra Martinez*

ARTICLES OF INCORPORATION

OF

PAUL H. RICHINS & CO., INC.

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SECRETARY OF STATE  
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THIS CERTIFICATE OF INCORPORATION is made and entered into this 1st day of November, 1987.

The undersigned person, Paul H. Richins, whose address is P.O. Box 695, Farmington, Utah 84025, acting as sole incorporator under the corporation laws of the State of Idaho ("Idaho Business Corporation Act"), hereby adopts the following articles of incorporation of "Paul H. Richins & Co., Inc."

ARTICLE I

Name and Duration

1. **NAME.** The name of the corporation is "Paul H. Richins & Co., Inc." (hereinafter the "Corporation").
2. **DURATION.** The period of the Corporation's duration is perpetual.

ARTICLE II

Purposes and Powers

1. **PURPOSE.** The general purpose of the Corporation is to engage in the business of acquisition, development and marketing of technologies, products and processes, financial, tax and business consulting, investment and merchant banking, real and personal property investments, and investments in and exploitation of any associated businesses or activities of every kind and nature without limitation. The Corporation is further organized for any lawful purpose or purposes for which it may engage under the Idaho Business Corporation Act, and the foregoing general purposes shall not limit or restrict in any manner the powers of the Corporation.
2. **POWERS.** The Corporation shall have power to do any and all things which it may legally do and exercise all powers conferred upon it under the Idaho Business Corporation Act, and is specifically authorized to engage in any and all lawful acts and activities as may be authorized at any time, and from time to time, by the Board of Directors, whether the same act or activity is in connection with the above general purposes or an entirely new or different business venture. The Corporation may purchase, own, and hold interests, rights and shares in partnerships, trusts, associations, and other corporations, and do any and every act and thing covered generally by the denomination "holding corporation". The Corporation may direct the operations of other corporations, partnerships, trusts, and associations through the ownership of such shares and interests. The powers conferred in these articles shall be construed liberally both as to objectives and purposes.

ARTICLE III

Registered Agent and Office

1. **REGISTERED AGENT.** The name of the initial registered agent of the Corporation is Robert Layton.

2. REGISTERED OFFICE. The address of the initial registered agent of the Corporation is 795 Hoff Drive, Blackfoot, Idaho 83221.

**ARTICLE IV**  
Capitalization

1. AUTHORIZED SHARES. The aggregate number of shares of capital stock which the Corporation shall have authority to issue is 450,000 shares of Series A Common Stock, \$0.10 par value with one (1) vote per share, and 50,000 shares of Series B Common Stock, \$0.10 par value with ten (10) votes per share. Excepting only the number of votes per share designated by the series of shares, the relative rights and preferences as between the series of shares of capital stock are equal unless otherwise designated and fixed by the Board of Directors.

2. SUBSCRIPTION FOR SHARES. The Corporation may take subscriptions for and issue its shares at any time, for such consideration, in such manner, and in such amounts as permitted by law and as may be fixed from time to time by the Board of Directors, without other consent, vote or authority of the shareholders of the Corporation. Shares of the Corporation are fully paid and non-assessible when issued, except to the extent of unpaid subscriptions for shares issued under a subscription agreement authorized by the Board of Directors.

3. CONSIDERATION AND PAYMENT FOR SHARES. The consideration for the issuance of shares may be paid, in whole or in part, cash, and other property, tangible or intangible, or in labor or services actually performed for the Corporation.

**ARTICLE V**  
Preemptive Rights to Authorized by Unissued Shares

1. PREEMPTIVE RIGHTS. A shareholder shall have a preemptive right to acquire unissued shares or treasury shares or securities convertible into such shares or carrying a right to subscribe to or acquire shares under such terms and conditions as the Board of Directors may fix; provided that no preemptive right shall exist (i) to acquire any shares issued to directors, officers, or employees pursuant to approval by the affirmative vote of the holders of a majority of the shares entitled to vote thereon or when authorized by and consistent with a plan theretofore approved by such a vote of the shareholders, (ii) to acquire any shares sold otherwise than for cash, or (iii) to acquire any shares issued to satisfy conversion or option rights granted by the Corporation on previously authorized sales of shares.

2. WAIVER OF RIGHTS. Should the Board of Directors, as to any obligation convertible into shares of the Corporation, offer the same to the shareholders, such offer shall not in any way constitute a waiver or release of the right of the Board of Directors subsequently to dispose of other portions of such shares or obligations without offering the same to the shareholders. The acceptance of shares in the Corporation shall be a waiver of such preemptive or preferential right, which, in absence of this provision, might otherwise be asserted by a shareholder of the Corporation.

**ARTICLE VI**  
Regulation of Internal Affairs of Corporation

1. VOTING OF SHARES. A shareholder of record of an outstanding share of Series A Common Stock or Series B Common Stock of the Corporation may vote

the number of shares owned by him or it times the votes per share (of the series of share) on each matter submitted to a vote of the shareholders, and may vote such shares in person or by proxy in accordance with Idaho law.

2. **MEETINGS OF SHAREHOLDERS.** All meetings of the shareholders of the Corporation shall be called and held at such time and place, and in such manner, as provided in the By-laws of the Corporation. In absence of any such provision in the By-laws, all such meetings shall be called by the President and held at the principal office address of the Corporation.

3. **QUORUM FOR SHAREHOLDERS MEETINGS.** At any meeting of shareholders, a majority (more than 50%) of the votes of the shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at such meeting, unless otherwise provided in the By-laws of the Corporation.

4. **SHAREHOLDER ELECTION OF DIRECTORS.** At the first meeting of the shareholders of the Corporation and at each annual meeting thereafter, the shareholders shall elect the directors to hold office until the next succeeding meeting of shareholders. A director so elected shall hold office for the term for which he is elected and until his successor is duly elected and qualified. At each election for directors of the Corporation, every shareholder of record entitled to vote at such election may vote the number of shares owned by him or it times the votes per share (of the series of share) for as many persons as there are directors to be elected and for whose election he or it has the rights to vote; provided that a shareholder has no right to accumulate his or its votes with regard to such election.

5. **VACANCIES IN BOARD OF DIRECTORS.** Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of any remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor. The shareholders may elect his successor at the next annual meeting of shareholders or at any special meeting duly called for that purpose and held prior to the next annual meeting. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board of Directors for a term of office continuing only until the next election of directors by the shareholders.

6. **NUMBER OF DIRECTORS.** The Board of Directors of the Corporation shall consist of one (1) or more members. The number of directors shall be fixed by, and in the manner provided in, the By-laws of the Corporation. The number of directors may be increased or decreased from time to time by amendment to, or in the manner provided in, the By-laws, but no decrease shall have the effect of shortening the term of any incumbent director. In the absence of a by-law providing for the number of directors, the exact number of directors shall be one (1), which director shall in absence of any other duly elected directors, constitute the Board of Directors of the Corporation.

7. **NOTICE OF DIRECTORS MEETINGS.** Notice of directors meetings shall be in the manner prescribed in the By-laws of the Corporation.

8. **MEETING OF DIRECTORS.** All meetings of the Board of Directors of the Corporation shall be called and held at such time and place, and in such manner, as provided in the By-laws of the Corporation. In absence of any such provision in the By-laws, all such meetings shall be called by the President and held at the principal office address of the Corporation.

9. **QUORUM FOR DIRECTORS MEETINGS.** A majority of the number of directors provided for in the By-laws of the Corporation constitutes a quorum for the transaction of any and all business. The act of such majority present at a meeting of directors at which a quorum is present shall be the act of the Board of Directors and Corporation.

10. **ACTION BY DIRECTORS WITHOUT A MEETING.** Any action required or desired to be taken at a meeting of the directors of the Corporation may be taken without a meeting if a consent, in writing, setting forth the action so taken or to be taken, shall be signed by all directors, and such consent shall have the same effect as a unanimous vote.

11. **RESIDENCE AND QUALIFICATION OF DIRECTORS.** The directors of the Corporation need not be residents of the State of Idaho, and may or may not be shareholders.

12. **LIABILITY OF DIRECTORS.** A director of the Corporation is not under any condition liable for any acts described under Section 30-1-48, of the Idaho Business Corporation Act.

13. **INITIAL BOARD OF DIRECTORS.** The initial Board of Directors of the Corporation shall consist of one (1) member, which director shall hold office until the first meeting of the shareholders of the Corporation and until his successor, if any, is duly elected and qualified. The initial director's name and resident address is as follows:

Name	Resident Address
Paul H. Richins	P.O. Box 695, Farmington, Utah 84025

14. **ELECTION OF OFFICERS.** The officers of the Corporation shall consist of a president, one or more vice presidents as may be prescribed by the By-laws, a secretary, and a treasurer, each of whom shall be elected by the Board of Directors at such time and in such manner as may be prescribed by the By-laws. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

15. **EXECUTIVE AND OTHER COMMITTEES.** The Board of Directors, by resolution adopted by a majority of the Board of Directors, may designate from among its members an executive committee and one or more other committees.

16. **DELEGATION OF DUTIES BY BOARD OF DIRECTORS.** The Board of Directors may delegate certain duties in respect to the affairs of the Corporation to various officers, or to committees selected by the Board of Directors or to other persons selected, engaged, appointed or employed by the Board of Directors, and may define the duties and compensation of the various officers, agents, and servants of the Corporation. The Board of Directors may also require and fix the amount and conditions of bonds from the various directors, officers, agents, servants and employees.

17. **BY-LAWS OF CORPORATION.** The initial By-laws of the Corporation shall be adopted by initial Board of Directors. The power to alter, amend or repeal the By-laws or adopt new by-laws, subject to repeal or change by action of the shareholders, is vested in the Board of Directors. The By-laws may contain any provisions for the regulation and management of the affairs of the Corporation not inconsistent with Idaho law or these articles of incorporation.

**ARTICLE VII**  
**Potential Conflicts of Interest**

1. **LOANS TO EMPLOYEES AND DIRECTORS.** The Corporation shall not lend money to or use its credit to assist its directors without authorization in the particular case by the shareholders, and may lend money to and use its credit to assist any employee of the Corporation or of a subsidiary or affiliate, including, without limitation, any such employee who is a director of the Corporation, if the Board of directors decides that such loan or assistance may benefit the Corporation.

2. **TRANSACTIONS WITH INTERESTED DIRECTORS.** No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors or officers are financially interested, shall be either void or voidable because of such relationship or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purposes, if:

(a) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent, in which vote or consent such interested directors may participate to the extent that they are also shareholders; or

(c) The contract or transaction is fair and reasonable to the Corporation and the fact of such relationship or interest is fully and fairly disclosed or known to the Corporation.

3. **COMMON OR INTERESTED DIRECTORS.** Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

**ARTICLE VIII**  
**Liability and Indemnification**

**INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS.** Every director, officer, employee, servant and agent of the Corporation shall be fully protected and held harmless by the Corporation as follows:

(a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and costs (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably

incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses and costs (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross and willful negligence or misconduct in the performance of this duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) or (b) hereof, or in defense of any claim, issue or matter therein, he shall be indemnified by the Corporation against expenses and costs (including attorney's fees) actually and reasonably incurred by him in connection therewith.

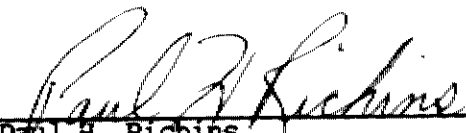
(d) Any indemnification under subsections (a) or (b) of this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) or (b). Such determination shall be (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the shareholders.

(e) Expenses and costs (including attorney's fees) incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection (d) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article VIII.

(f) The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provision of this Article VIII.

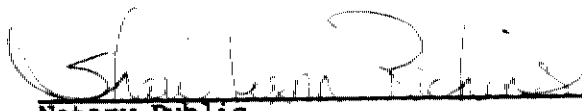
IN WITNESS WHEREOF, the undersigned incorporator has set his hand and seal the day and year first above written.

  
\_\_\_\_\_  
Paul H. Richins

STATE OF UTAH     )  
                      : ss.  
County of Davis )

On this 1st day of November, 1987, personally appeared before me, PAUL H. RICHINS, who being by me duly sworn, declared that he is the person who signed the foregoing instrument as incorporator, and that the statements contained therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of November, 1987.

  
\_\_\_\_\_  
Notary Public  
Residing at Farmington, Utah

My Commission Expires:

March 12, 1990