



**CERTIFICATE OF INCORPORATION
OF**

LOPS, 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: **May 20, 1988**



SECRETARY OF STATE

by: _____

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SECRETARY OF STATE

ARTICLES OF INCORPORATION

OF

LOPS, INC.

The undersigned incorporators, desiring to form a corporation pursuant to the provisions of the Idaho Business Corporation Act, adopt the following Articles of Incorporation:

ARTICLE I: The name of the corporation is LOPS, INC.

ARTICLE II: The purposes of the corporation are to purchase, or in any way acquire for investment or for sale or otherwise, lands, contracts for the purchase or sale of lands, buildings, improvements, and any other real property of any kind or any interest therein, and as the consideration for same to pay cash or to issue the capital stock, debenture bonds, mortgage bonds, or other obligations of the corporation, and to sell, convey, lease, mortgage, deed in trust, turn to account, or otherwise deal with all or any part of the property of the corporation; to make and obtain loans upon real estate, improved or unimproved, and upon personal property, giving or taking evidences of indebtedness and securing the payment thereof by mortgage, trust deed, pledge or otherwise, and to enter into contracts to buy or sell any property, real or personal; to buy and sell mortgages, trust deeds, contracts, and evidences of

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indebtedness; to purchase or otherwise acquire, for the purpose of holding or disposing of the same, real or personal property of every kind and description, including the good will, stock, rights, and property of any person, firm, association, or corporation, paying for the same in cash, stock, or bonds of this corporation; and to draw, make, accept, indorse, discount, execute, and issue promissory notes, bills of exchange, warrants, bonds, debentures, and other negotiable or transferable instruments, or obligations of the corporation, from time to time, for any of the objects or purposes of the corporation without restriction or limit as to amount.

ARTICLE III: The period of duration of the corporation is perpetual.

ARTICLE IV: The address of the corporation's initial registered office in the State of Idaho is 226 North First Avenue, City of Sandpoint, County of Bonner; and the name of its initial registered agent at such address is S.K. PEARLSTEIN.

ARTICLE V: The aggregate number of shares which the corporation shall have authority to issue is TEN THOUSAND (10,000). The total authorized number of shares shall be without par value. The corporation is authorized to issue only one class of stock.

ARTICLE VI: The number of directors constituting the initial board of directors is Two (2) and the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
S.K. PEARLSTEIN	1723 W. Ontario Sandpoint, Idaho 83864
JOHN R. OLSON	6183 Highway 2 Sandpoint, Idaho 83864

ARTICLE VII: The name and address of each incorporator is:

<u>Name</u>	<u>Address</u>
S.K. PEARLSTEIN	1723 W. Ontario Sandpoint, Idaho 83864
JOHN R. OLSON	6183 Highway 2 Sandpoint, Idaho 83864

ARTICLE VIII: In the event a stockholder desires to sell his shares of stock, he shall first give written notice of his intent to do so to the other stockholders. The notice must specify the price, the terms of payment, and any other conditions of sale or transfer. For sixty (60) days after receipt of notice, the other stockholders shall have the right to purchase the shares offered for sale by giving written notice thereof on the terms stated in the notice and at a price which is the lesser of the following:

- a. The price stated in the notice; or
- b. The price agreed upon by the selling and purchasing parties if an agreement can be reached; or
- c. In the event the parties cannot agree upon a purchase price, the purchase price shall be determined by appraisal. The selling and purchasing parties shall bear the costs and expense of the appraisal equally.

If the value as determined through an independent appraisal is not satisfactory to either the selling or the purchasing party, the value of the shares to be purchased shall be determined by arbitration, as follows:

The purchasing party and the selling party shall each name an arbitrator. If the two arbitrators cannot agree on a value, they shall appoint a third arbitrator and a decision of the majority shall be binding upon all parties. Arbitration shall be in accordance with the rules of the American Arbitration Association, as such rules may be in effect at the time of arbitration, and as modified by the provisions of Idaho Code Section 7-901 et seq. The cost of arbitration shall be borne entirely by the party dissatisfied with the value as determined through independent appraisal.

The terms of payment of the purchase price shall be the terms agreed upon by the selling and purchasing parties, if an agreement can be reached. If the parties cannot agree, the purchase price shall be paid with twenty-five percent (25%) down in cash within ten days of the determination of the value of the

shares to be purchased, and the balance shall be evidenced by a Promissory Note signed by the purchasing party. The note shall bear interest at a rate equal to the Federal Housing Authority rate of interest at the time of sale, and shall provide for monthly payments of principal and interest over three years, commencing thirty days after payment of the down-payment. The note shall provide that in the case of default, at the election of the holder, the entire sum of the principal and interest will be immediately due and payable, and for the payment by the maker of reasonable attorney's fees to the holder in the event suit is commenced because of any default.

EXECUTED in duplicate on this 19th day
of May, 1988.



S.K. PEARLSTEIN



JOHN R. OLSON

STATE OF IDAHO
County of Bonner

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) ss.
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This day personally appeared before me, the undersigned Notary Public, S.K. PEARLSTEIN and JOHN R. OLSON, known to me to be the persons whose signatures are subscribed to the within Articles of Incorporation, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal
this 19 day of May 1988.


Notary Public

Residing at: Sawtooth

Comm. Exp.: 8/6/88