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SECRETARY OF STATE STATE OF WASHINGTON

#### ARTICLES OF INCORPORATION

OF

NORTH CASCADES BROADCASTING, INC.

#### ARTICLE I.

#### NAME

The name of the corporation is NORTH CASCADES BROADCASTING, INC.

#### ARTICLE II.

## DURATION

This corporation has perpetual existence.

### ARTICLE III.

# PURPOSES

This corporation is organized for the following purposes:

- A. To hold an F.C.C. license and operate an AM/FM Radio Station in Omak, Washington.
- B. To engage in any business, trade or activity which may be conducted lawfully by a corporation organized under the Washington Business Corporation Act.

### ARTICLE IV.

### POWERS

This corporation shall have the authority to engage in any and all such activities as are incidental or

-1-

conducive to the attainment of the purposes of this corporation and to exercise any and all powers authorized or permitted under any laws that may be now or hereafter applicable or available to this corporation.

#### ARTICLE V.

### SHARES

This corporation is authorized to issue 50,000 shares of common stock and each share shall have a par value of \$10.00.

#### ARTICLE VI.

### PREEMPTIVE RIGHTS

Each shareholder shall have preemptive rights to acquire additional shares which may be issued by this corporation, as follows:

A. <u>Preempted Shares</u>. Before any unissued shares (at any time authorized) of this corporation are offered for sale or otherwise disposed of, the shareholders shall have the first right to purchase such shares ("preempted shares"). Each shareholder shall be entitled to purchase a percentage of such preempted shares equal to the percentage he or she owns of all shares then outstanding, or such lesser number of the preempted shares as the shareholder elects to purchase. Such allocation of shares shall be subject to adjustments as determined by the Board of

Directors which are necessary to avoid the issue of fractional shares.

- B. <u>Terms and Conditions</u>. The purchase of preempted shares by existing shareholders shall be on terms and conditions, including purchase price, not less favorable than those under which it is proposed they be offered for sale or otherwise disposed of to others.
- C. Exempted Shares. These preemptive rights shall not be applicable with respect to shares, not exceeding 200, which are duly issued for services rendered to this corporation.
- D. Notice of Proposed Disposition; Waiver of Preemptive Rights. Written notice shall be given to each shareholder of each proposal for the sale or other disposition of the preempted shares, which notice shall set forth the number of shares involved and the terms of such proposed sale or other disposition. The preemptive rights of any shareholders shall be deemed waived as follows:
- 1. If the shareholder at any time agrees in writing to waive his or her rights as to any specific preempted shares, the waiver shall be deemed effective as to those shares;
- 2. If, within fourteen (14) days after the written notice is given to a shareholder as provided in this

Article VI, Section D, such shareholder does not agree in writing to purchase all the preempted shares he or she is entitled to purchase, the waiver shall be deemed effective as to those shares such shareholder has not agreed to purchase.

- E. Sale Pursuant to Waiver. If there is a waiver of rights under Article VI, Section D, this corporation may sell the shares to which such waiver pertains to anyone during the six months after the date such shareholder is given the notice contemplated by Article VI, Section D, at a price to the purchaser of not less than the price set forth in such notice, and otherwise on terms and conditions not less favorable to this corporation than those set forth in such notice, but this corporation may pay, or there may be deducted from such price, such reasonable compensation to underwriters or dealers as may be lawfully paid by this If such shares are not sold during such corporation. six-month period, they shall again become subject to the preemptive rights of this Article VI.
- F. <u>Purchase Price When Offer is for Property</u>. If it is proposed to dispose of preempted shares for property other than cash, including without limitation dispositions in connection with mergers or consolidations, acquisitions of assets or outstanding securities of another corporation,

or other reorganizations, the per share price to the shareholders hereunder shall be the pro rata portion of the fair market value of such property, a such value is set in good faith by the Board of Directors.

- G. <u>Notices</u>. Notices shall be deemed given hereunder when mailed, postage prepaid, to either the last known address of a shareholder or the latest address shown on this corporation's stock records for such shareholder.
- H. <u>Limitation on Preemptive Rights</u>. There shall exist no preemptive rights with respect to shares of this corporation except as provided in this Article VI.
- Regardless of whether the notice provisions of this Article VI have been observed, a shareholder who fails to make written demand upon this corporation to exercise his or her preemptive rights within two years after the preempted shares have been issued and recorded in this corporation's stock transfer books shall be deemed to have waived any preemptive rights to such shares.

#### ARTICLE VII.

#### CUMULATIVE VOTING

At each election for directors, every shareholder entitled to vote at such election shall have the right to vote in person or by proxy, the number of shares owned by the shareholder for as many persons as there are directors to be elected, or to accumulate votes by giving one candidate as many votes as the number of such directors to be elected multiplied by the number of such shareholder's shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

#### ARTICLE VIII.

### BYLAWS

The Board of Directors shall have the power to adopt, amend or repeal the Bylaws or adopt new Bylaws. Nothing herein shall deny the concurrent power of the shareholders to adopt, alter, amend or repeal the Bylaws.

#### ARTICLE IX.

# REGISTERED OFFICE AND AGENT

The name of the initial registered agent of this corporation and the address of its initial registered office are as follows:

John P. Andrist P. O. Box 151-EMERY ST Omak, WA 98841

#### ARTICLE X.

### DIRECTORS

A. The number of directors of this corporation shall be determined in the manner specified by the Bylaws and may be increased or decreased from time to time in the

manner provided therein. The initial Board of Directors shall consist of nine directors and their names and addresses are as follows:

John P. & Meg Andrist P. O. Box 273 Omak, WA 98841

Russ Brantner Route 1, Box 310G Omak, WA 98841

Al & Dee Camp P. O. Box 1236 Okanogan, WA 98840

George & Burna Frank P. O. Bex 666 Tomasket, WA 98855

Mary Henrie P. O. Rox 1667 Omak, WA 98841

Don Michelson Route 2, Box 1 Omak, WA 98841

Paul & Lorraine Schumann Route 1, Box 310F Omak, WA 98841

Ben Whitley
P. O. Box 907
Okanogan, WA 98840

B. The term of the initial directors shall be until the first annual meeting of the shareholders or until their successors are elected and qualified, unless removed in accordance with the provisions of the Bylaws.

#### ARTICLE XI.

### AMENDMENT TO ARTICLES OF INCORPORATION

This corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation, in any manner now or hereafter permitted by law, and all rights and powers conferred herein on the shareholders and directors of this corporation are subject to this reserved power.

#### ARTICLE XII.

### INCORPORATORS

The name and address of the incorporator is as follows:

John P. Andrist P. O. Box 273 Omak. WA 98841

#### ARTICLE XIII.

### LIMITATION OF DIRECTORS' LIABILITY

A director shall have no liability to the corporation or its shareholders for monetary damages for conduct as a director, except for acts or omissions that involve intentional misconduct by the director, or a knowing violation of law by the director, or for conduct violating RCW 23A.08.450, or for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally

entitled. If the Washington Business Corporation Act is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the full extent permitted by the Washington Business Corporation Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification for or with respect to an act or omission of such director occurring prior to such repeal or modification.

#### ARTICLE XIV.

## INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Each person who was, or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the corporation or, while a director or officer, he or she is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise,

-9-

including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, trustee, officer, employee or agent or in any other capacity while serving as a director, trustee, officer, employee or agent, shall be indemnified and held harmless by the corporation, to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorney's fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, trustee, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as provided in Section 2 of this Article with respect to proceedings seeking to enforce rights to indemnification, the corporation shall indemnify any such indemnification seeking in connection with person proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The indemnification conferred in this Section 1 shall be a contract right and shall include the right to be paid by the

corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 1 or otherwise.

Section 2. Right of Claimant to Bring Suit. claim under Section 1 of this Article is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim of its final disposition, where the required undertaking has

been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of the corporation (including its board of directors, independent legal counsel or its shareholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances nor an actual determination by the corporation (including its board of directors, independent legal counsel or its shareholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defence to the action or create a presumption that the claimant is not so entitled.

Section 3. Nonexclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of shareholders or disinterested directors or otherwise.

Section 4. <u>Insurance, Contracts and Funding</u>. The corporation may maintain insurance, at its expense, to

protect itself and any director, trustee, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The corporation may, without futher shareholder action, enter into contracts with any director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Agents of the Corporation. The corporation may, by action of its board of directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Bsuiness Corporation Act or

otherwise.

#### ARTICLE XV.

### TRANSACTIONS WITH INTERESTED SHAREHOLDERS

This corporation elects not to be covered by the provisions of the Washington Business Corporation Act concerning transactions with interested shareholders as therein defined, in that it is not contemplated this corporation will ever have more than three hundred (300) holders of record of its shares.

The undersigned person, of the age of eighteen years or more, as incorporator of this corporation under the Washington Business Corporation Act, adopts these Articles of Incorporation.

DATED: 11/19/89

John P. Andrist

# CONSENT TO SERVE AS REGISTERED AGENT

I, JOHN P. ANDRIST, hereby consent to serve as Registered Agent, in the State of Washington, for the following corporation, NORTH CASCADES BROADCASTING, INC. I understand that as agent for the corporation, it will be my responsibility to receive service of process in the name of the corporation; to forward all mail to the corporation; and to immediately notify the office of the Secretary of State in the event of my resignation, or of any changes in the registered office address of the corporation for which I am agent.

DATED: 11/19/89, 1989.

John P. Andrist P. O. Box 151 Omak, WA 98841