

Department of State.

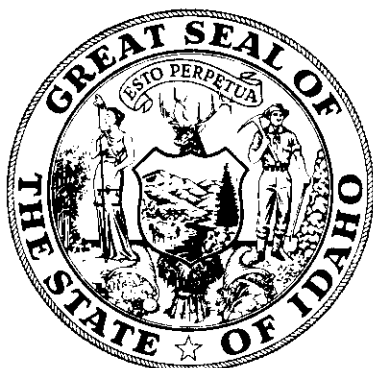
**CERTIFICATE OF AUTHORITY
OF**

KAISER CEMENT CORPORATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of an Application of KAISER CEMENT CORPORATION for a Certificate of Authority to transact business in this State, duly signed and verified 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 Authority to KAISER CEMENT CORPORATION to transact business in this State under the name KAISER CEMENT CORPORATION and attach hereto a duplicate original of the Application for such Certificate.

Dated April 30, 19 82



Pete T. Cenarrusa

SECRETARY OF STATE

Corporation Clerk

APPLICATION FOR CERTIFICATE OF AUTHORITY

To the Secretary of State of Idaho.

Pursuant to Section 30-1-110, Idaho Code, the undersigned Corporation hereby applies for a Certificate of Authority to transact business in your State, and for that purpose submits the following statement:

1. The name of the corporation is KAISER CEMENT CORPORATION
2. *The name which it shall use in Idaho is _____
3. It is incorporated under the laws of Delaware
4. The date of its incorporation is March 16, 1982 and the period of its duration is perpetual
5. The address of its principal office in the state or country under the laws of which it is incorporated is 100 West Tenth Street, Wilmington, Delaware 19801
6. The address of its proposed registered office in Idaho is 300 North 6th Street
Boise, Idaho 83701, and the name of its proposed registered agent in Idaho at that address is C T CORPORATION SYSTEM
7. The purpose or purposes which it proposes to pursue in the transaction of business in Idaho are:
manufacture and sales of cement, concrete and related products.

8. The names and respective addresses of its directors and officers are:

Name	Office	Address
See Attached List		

9. The aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, and shares without par value, is:

Number of Shares	Class	Par Value Per Share or Statement That Shares Are Without Par Value
<u>700,000</u>	<u>Preferred</u>	<u>\$1.00</u>
<u>1,000,000</u>	<u>\$1.375 Convertible Preference Without Par Value</u>	
<u>25,000,000</u>	<u>Common</u>	<u>\$1.00</u>

(continued on reverse)

10. The aggregate number of its issued shares, itemized by classes, par value of shares, and shares without par value, is:

Number of Shares	Class	Par Value Per Share or Statement That Shares Are Without Par Value
<u>10</u>	<u>Common</u>	<u>\$1.00</u>
_____	_____	_____
_____	_____	_____

11. The corporation accepts and shall comply with the provisions of the Constitution and the laws of the State of Idaho.

12. This Application is accompanied by a copy of its articles of incorporation and amendments thereto, duly authenticated by the proper officer of the state or country under the laws of which it is incorporated.

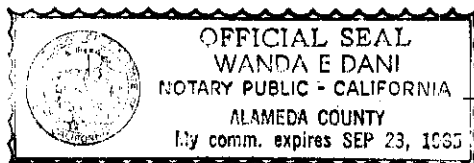
Dated April 26, 19 82

By KAISER CEMENT CORPORATION
Carl R. Pagter
By Carl R. Pagter
Its Vice President
and Donna M. Anderson
Donna M. Anderson
Its Assistant Secretary

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA) ss:

I, Wanda E. Dani, a notary public, do hereby certify that on
this 26th day of April, 1982, personally appeared before
me Carl R. Pagter, who being by me first duly sworn, declared that he
is the Vice President of KAISER CEMENT CORPORATION

that he signed the foregoing document as Vice President of the corporation and that the statements therein contained are true.



Wanda E. Dani
Notary Public

*Pursuant to section 30-1-108(b)(1), Idaho Code, if the corporation assumes a name other than its true name, this application must be accompanied by a resolution of the Board of Directors to that effect.

ATTACHMENT #1

Names and addresses of directors:

<u>Names</u>	<u>Addresses</u>
Garfield O. Anderson	612 Spruce Street Berkeley, California 94707
Robert T. Davis	Graduate School of Business Stanford University Stanford, California 94305
Anthony M. Frank	700 Market Street San Francisco, California 94102
Peter S. Hass	104 Dudley Avenue Piedmont, California 94611
Emelyn K. Jewett	3015 Burdeck Drive Oakland, California 94602
Robert G. Schwartz	One Madison Avenue New York, New York 10010
Herman J. Schmidt	15 Oakley Lane Greenwich, Connecticut 06830
William M. Witter	45 Montgomery Street San Francisco, California 94104
Alfred A. Yee	1441 Kapiolani Boulevard Honolulu, Hawaii 96814
Walter E. Ousterman, Jr.	300 Lakeside Drive Oakland, California 94612
Arnold B. Brown, Jr.	"
John F. Burns	"

ATTACHMENT #2

Names, titles and addresses of officers:

<u>Names</u>	<u>Titles</u>	<u>Addresses</u>
Walter E. Ousterman, Jr.	Chairman of the Board, President and Chief Executive Officer	300 Lakeside Drive Oakland, Calif. 94612
Arnold B. Brown, Jr.	Senior Vice President and General Manager, International Operations	"
John F. Burns	Senior Vice President - Finance and Treasurer	"
Elmer L. Erwin	Vice President, Manufacturing and Distribution	"
David B. Hunn	Vice President, Investor Relations and Public Affairs	"
Bob J. Murphy	Vice President, Sales	"
Carl R. Pagter	Vice President, Secretary and General Counsel	"
John P. Rohrer	Vice President, Marketing	"
Edward E. Taggart	Vice President and Controller	"
Ian M. Watson	Vice President, Engineering and Research	"
Donna M. Anderson	Assistant Secretary	"
Ann Farley Heins	Assistant Treasurer and Assistant Secretary	"



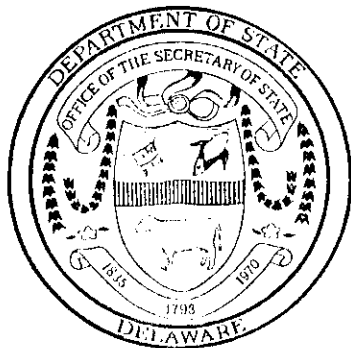
State of DELAWARE



Office of SECRETARY OF STATE

I, Glenn C. Kenton, Secretary of State of the State of Delaware,
do hereby certify that the attached is a true and correct copy of
Certificate of Incorporation

filed in this office on March 16, 1982



Glenn C. Kenton

Glenn C. Kenton, Secretary of State

BY: *E. Curran*

DATE: March 16, 1982

CERTIFICATE OF INCORPORATION

OF

KAISER CEMENT CORPORATION

ONE: The name of this corporation is

KAISER CEMENT CORPORATION

TWO: The address of the registered office of the corporation in the State of Delaware is 100 West Tenth Street, in the City of Wilmington, County of New Castle, and the name of its registered agent at that address is The Corporation Trust Company.

THREE: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOUR: The total number of shares which the corporation is authorized to issue is 26,700,000, consisting of 700,000 shares of Preferred Stock, par value \$1 per share (hereinafter in this Certificate of Incorporation called the "Preferred Stock"); 1,000,000 shares of \$1.375 Convertible Preference Stock, without par value (hereinafter in this Certificate of Incorporation called the "Preference Stock"); and 25,000,000 shares of Common Stock, par value \$1 per share (hereinafter in this Certificate of Incorporation called the "Common Stock"). The aggregate par value of all shares that are to have a par value is \$25,700,000.

FIVE: The voting powers, designations, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions thereof, of the Preferred Stock, the Preference Stock, and the Common Stock, in addition to those set forth elsewhere herein, are as follows:

(1) The Preferred Stock may be issued from time to time in one or more series. All shares of Preferred Stock shall be of equal rank and shall be identical, except in respect of the particulars that may be fixed by the Board of Directors as hereinafter provided pursuant to authority which is hereby expressly vested in the Board of Directors; and each share of each series shall be identical in all respects with the other shares of such series, except as to the date from which dividends thereon may be cumulative. Before any shares of Preferred Stock of any particular series shall be issued, the Board of Directors shall fix, and is hereby expressly empowered to fix, in the resolution or resolutions providing for the issue of shares of each particular series and in the manner and to the full extent provided and permitted by law, all provisions of the shares of such series not otherwise

set forth in the Certificate of Incorporation and so far as not inconsistent with the provisions of this Article FIVE applicable to all series of Preferred Stock, including, but not limited to:

(A) The distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors in creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

(B) The annual rate of dividends payable on shares of such series, the date from which dividends shall be cumulative on all shares of such series issued prior to the record date for the first dividend on shares of such series, and the dividend rights applicable to the shares of such series, including limitations on the declaration and payment of dividends on any junior stock;

(C) The redemption price or prices, if any, for shares of such series;

(D) The obligation, if any, of the corporation to maintain a sinking fund for shares of such series, and to apply said sinking fund to the redemption of shares;

(E) The amount payable on shares of such series in the event of any voluntary liquidation, dissolution or winding up of the affairs of the corporation;

(F) The rights, if any, of the holders of shares of such series to convert such shares into shares of stock of the corporation of any class or of any series of any class and the terms and conditions of such conversion; and

(G) Any voting rights in respect of matters other than those for which voting rights are specifically provided herein, and any other preferences, and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof.

The number of shares of Preferred Stock authorized by Article FOUR may be increased or decreased (but not below the number of shares outstanding) by the affirmative vote of the holders of a majority of the Common Stock and not less than two-thirds ($66\frac{2}{3}\%$) of the Preference Stock and, subject to any limitation imposed in any resolution adopted by the Board of Directors providing for the issue of any particular series of Preferred Stock, the holders of Preferred Stock shall not be entitled to vote on any such increase or decrease.

(2) In the event of any involuntary liquidation, dissolution or winding up of the affairs of the corporation, then, before any distribution or payment shall be made to the holders of any junior stock, the holders of the Preferred Stock shall be entitled to be paid in full an amount fixed in

accordance with the provisions of subdivision (1) of this Article FIVE, but not to exceed \$50 per share so long as any shares of Preference Stock are outstanding, together with accrued dividends to such distribution or payment date whether or not earned or declared. If such payment shall have been made in full to the holders of the Preferred Stock the remaining assets and funds of the corporation shall be distributed among the holders of the junior stock, according to their respective preferences and shares.

As used herein with respect to the Preferred Stock or in any resolution adopted by the Board of Directors providing for the issue of any particular series of the Preferred Stock as authorized by subdivision (1) of this Article FIVE, the following terms shall have the following meanings:

(A) The term "junior stock" shall mean the Preference Stock, the Common Stock and any other class of stock of the corporation hereafter authorized over which the Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the corporation.

(B) The term "accrued dividends", with respect to any share of any series, shall mean an amount computed at the annual dividend rate for the series of which the particular share is a part, from the date on which dividends on such share became cumulative to and including the date to which such dividends are to be accrued, less the aggregate amount of all dividends theretofore paid thereon.

(3) The holders of the Preference Stock, in preference to the holders of any junior stock but subject to the rights and preferences of the holders of the Preferred Stock, shall be entitled to receive, as and when declared by the Board of Directors out of any funds legally available, therefor, cash dividends, at the rate of \$1.375 per share, and no more, payable quarterly on the last days of January, April, July and October, respectively, in each year, with respect to the quarterly period ending on such respective payment date, except that the first such dividend shall be payable on the quarterly dividend payment date next succeeding the expiration of thirty days after the date any shares of the Preference Stock are issued. Dividends on the Preference Stock shall be cumulative from the date of issue. No dividend shall be paid upon, or declared or set apart for, any share of Preference Stock for any quarterly dividend period unless at the same time a like dividend for the same quarterly dividend period shall be paid upon, or declared or set apart for, all shares of Preference Stock then issued and outstanding.

(4) In no event, so long as any shares of Preference Stock shall be outstanding shall any dividend, whether in cash or property, be paid or declared, nor shall any distribution be made, on any junior stock, nor shall any shares of junior stock be purchased or otherwise acquired for value by the corporation, unless all dividends on the Preference Stock for all past quarterly dividend periods and for the then current quarterly period shall have been paid or declared and a sum sufficient for the payment thereof set apart. The foregoing provisions of this subdivision (4) shall not, however, apply to a dividend payable in junior stock, or to the acquisition of shares

of junior stock in exchange for, or through application of the proceeds of the sale of, shares of junior stock.

Subject to the foregoing, the Board of Directors may declare, out of any funds legally available therefor, dividends upon the then outstanding shares of junior stock, and no holder of shares of Preference Stock shall be entitled to share therein.

(5) In the event of any voluntary liquidation, dissolution or winding up of the affairs of the corporation, then, before any distribution or payment shall be made to the holders of any junior stock, but after making all distributions or payments to which the holders of the Preferred Stock shall be entitled, the holders of the Preference Stock shall be entitled to be paid in full an amount equal to \$26.25 per share, together with accrued dividends to such distribution or payment date whether or not earned or declared. In the event of any involuntary liquidation, dissolution or winding up of the affairs of the corporation, then, before any distribution or payment shall be made to the holders of any junior stock, the holders of the Preference Stock shall be entitled to be paid in full an amount equal to \$25 per share, together with accrued dividends to such distribution or payment date whether or not earned or declared. If such payment shall have been made in full to the holders of the Preference Stock, the remaining assets and funds of the corporation shall be distributed among the holders of the junior stock according to their respective preferences and shares. If, upon any liquidation, dissolution or winding up of the affairs of the corporation, the amounts so payable are not paid in full to the holders of all outstanding shares of Preference Stock, the holders of Preference Stock shall share ratably in any distribution of assets in proportion to the full amount to which they would otherwise be respectively entitled. Neither the consolidation or the merger of the corporation, nor the sale, lease or conveyance of all or a part of its assets, shall be deemed a liquidation, dissolution or winding up of the affairs of the corporation within the meaning of the foregoing provisions of this subdivision (5).

(6) The Preference Stock may be redeemed as a whole or in part, at the option of the corporation, by vote of its Board of Directors, at the redemption price of \$26.25 per share, together with accrued dividends to the redemption date at any time or from time to time. If less than all the outstanding shares of Preference Stock are to be redeemed, the shares to be redeemed shall be determined by lot in such manner as the Board of Directors may prescribe, or, at the election of the Board of Directors, pro rata.

Notice of every redemption of Preference Stock shall be mailed, addressed to the holders of record of the shares to be redeemed at their respective addresses as they shall appear on the stock books of the corporation (but no failure to mail such notice or any defect therein or in the mailing thereof shall affect the validity of the proceedings for such redemption), and notice shall also be published at least once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City and County of San Francisco, California, the first publication and such mailing to be at least twenty days and not more than sixty days prior to the date fixed for redemption.

The corporation may, at any time prior to the redemption date, deposit in trust, for the account of the holders of the Preference Stock to be redeemed, with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of California, doing business in the City and County of San Francisco, State of California, having capital, surplus and undivided profits aggregating at least Five Million Dollars (\$5,000,000), designated in the notice of redemption, the redemption price, together with accrued dividends to the date fixed for redemption, and deliver irrevocable written instructions and authority to such bank or trust company, on behalf and at the expense of the corporation, to cause notice of redemption specifying the date of redemption to be duly mailed and publication of the notice to be made as herein provided promptly upon receipt of such irrevocable instructions, unless the notice of redemption herein provided for has previously been duly mailed and published, and to pay, on and after the date fixed for redemption or prior thereto, the redemption price, together with accrued dividends to the redemption date, of the shares of Preference Stock so called for redemption to their respective holders upon the surrender of their share certificates. From and after the date of such deposit in trust, either after due mailing and publication of the notice of redemption or accompanied by irrevocable instructions as provided above, notwithstanding that any certificate for shares of Preference Stock so called for redemption shall not have been surrendered for cancellation, all shares of Preference Stock with respect to which the deposit shall have been made shall no longer be deemed to be outstanding, and all rights with respect to such shares of Preference Stock shall forthwith cease and terminate except only the right of the holders thereof to receive from such bank or trust company, at any time after the time of the deposit, the redemption price, together with accrued dividends to the redemption date, but without interest, of the shares so to be redeemed, and the right to exercise, on or before the date fixed for redemption, privileges of conversion or exchange, if any, not theretofore expiring.

Any moneys deposited by the corporation pursuant to this subdivision (6) which shall not be required for the redemption because of the exercise of any such right of conversion or exchange subsequent to the date of the deposit shall be repaid to the corporation forthwith.

(7) The holders of shares of Preference Stock shall have the right, at their option, to convert such shares into shares of Common Stock of the corporation at any time on and subject to the following terms and conditions:

(A) The shares of Preference Stock shall be convertible at the office of the Transfer Agent for such stock in the City and County of San Francisco, California, or at the office of the Transfer Agent for such stock in the City of New York, New York, into fully paid and non-assessable shares (calculated as to each conversion to the nearest 1/100th of a share, fractions of less than 1/100th being disregarded) of Common Stock of the corporation, at the conversion ratio, determined as hereinafter provided, in effect at the time of conversion. The ratio at which shares of Common Stock shall be delivered upon conversion (herein called the "conversion ratio") shall be increased in certain instances as provided in paragraphs (C), (I) and (J) below, and shall be reduced in certain instances as

provided in paragraph (J) below. For purposes of this subdivision (7) of Article FIVE and calculating increases or reductions in the conversion ratio, all references to the "corporation" shall include both this corporation and Kaiser Cement Corporation, a California corporation, and all references to "Common Stock" shall include both the Common Stock of this corporation and the common stock issued by Kaiser Cement Corporation, a California corporation. Unless and until so increased or reduced, the conversion ratio shall be 8/10ths of one share of Common Stock for one share of Preference Stock. No payment or adjustment shall be made upon any conversion on account of any dividends accrued on the shares of Preference Stock surrendered for conversion or on account of any dividends on the Common Stock issued upon such conversion.

(B) In order to convert shares of Preference Stock into Common Stock the holder thereof shall surrender at the office of either Transfer Agent hereinabove mentioned the certificate or certificates therefor, duly endorsed to the corporation or in blank, and give written notice to the corporation at said office that he elects to convert such shares and shall state in writing therein the name or names in which he wishes the certificate or certificates for Common Stock to be issued. Shares of Preference Stock shall be deemed to have been converted as of the date (hereinafter called the "conversion date") of the surrender of such shares for conversion as provided above, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock on such date. As soon as practicable on or after the conversion date, the corporation will deliver at said office a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion, together with a scrip certificate for, or cash in lieu of, any fraction of a share, as hereinafter provided, to the person or persons entitled to receive the same. In case shares of Preference Stock are called for redemption, the right to convert such shares shall cease and terminate at the close of business on the day next preceding the redemption date, unless default shall be made in payment of the redemption price.

(C) In case the conversion ratio in effect immediately prior to the close of business on any day shall be less by 2/100ths or more than the ratio determined at the close of business on such day by dividing into 25 the quotient resulting from dividing

(i) a sum equal to (a) 5,740,852 multiplied by \$31.25 plus (b) the aggregate of the amounts of all consideration received by the corporation upon the issuance of Additional Shares of Common Stock (as hereinafter defined), minus (c) the aggregate of the amounts of all dividends and other distributions which have been paid or made after June 30, 1965 on Common Stock of the corporation other than in cash out of its earned surplus or in Common Stock of the corporation, by

(ii) the sum of (x) 5,740,852 and (y) the number of Additional Shares of Common Stock which shall have been issued,

the conversion ratio shall be increased, effective immediately prior to the opening of business on the next succeeding day, by an amount equal to the largest number of thousands contained in the amount by which such conversion ratio shall be less than the ratio so determined.

(D) The term "Additional Shares of Common Stock" as used herein shall mean all shares of Common Stock issued by the corporation after June 30, 1965 (including shares deemed to be "Additional Shares of Common Stock" pursuant to paragraph (J) below), whether or not subsequently reacquired or retired by the corporation, other than:

(i) shares issued upon conversion of shares of the Preference Stock;

(ii) shares issued upon conversion of shares of the Initial Series of Preferred Stock;

(iii) shares issued on or prior to October 31, 1975 as a dividend or dividends on any class of capital stock of the corporation to the extent the aggregate number of shares so issued does not exceed 310,000;

(iv) shares issued after October 31, 1975 as dividends on any class of capital stock of the corporation provided the aggregate number of shares constituting such dividends during any quarter year after October 31, 1975 does not exceed one per cent of the total number of shares of Common Stock outstanding at the close of business on the first date during any such quarter year fixed for the determination of stockholders entitled to receive such dividends;

(v) not exceeding 600,000 shares, subject to adjustment as provided in Section XII of the plans hereinafter referred to, issued upon exercise of options heretofore or hereafter granted pursuant to the corporation's restricted and qualified stock option plans for officers and employees, as in effect heretofore and as in effect on the date hereof, or pursuant to any substantially similar stock option plan hereafter adopted by the corporation; Section XII of the plan which terminated on December 31, 1961 provided and Section XII of the plan in effect on the date hereof provides, in substance, that in the event the outstanding shares of Common Stock shall be changed into or exchanged for a different number or kind of shares or other securities of the corporation or of another corporation, whether through reorganization, recapitalization, merger or consolidation, then such shares or other securities shall be substituted for the shares of Common Stock subject to an option or theretofore appropriated by the Board of Directors

for the purposes of said plan but not yet covered by an option; that in the event of a stock dividend payable in Common Stock to common stockholders or in the event shares of Common Stock are subdivided into a greater number of shares, the number of shares of Common Stock then subject to option and the number of shares reserved for options not yet granted shall be increased by the nearest number of full shares of Common Stock which would have been issued with respect to the shares of Common Stock subject to each option and the shares reserved for options not yet granted if such shares had been outstanding as of the record date of such event; and that in the event of any other change in the number or kind of outstanding shares of Common Stock or of any stock or other securities into which such Common Stock shall have been changed or for which it shall have been exchanged, then a Committee of the Board of Directors shall adjust the number, price or kind of shares then subject to an option or theretofore appropriated by the Board of Directors for the purposes of said plan but not yet covered by an option, if the Committee determines that such change equitably requires such adjustment; and

(vi) shares issued pursuant to the merger of Kaiser Cement Corporation, a California corporation, into Kaiser Cement Corporation, a Delaware corporation.

The sale or other disposition of any shares of Common Stock or other securities held in the treasury of the corporation shall not be deemed an issuance thereof.

(E) In case of the issuance of Additional Shares of Common Stock for a consideration part or all of which shall be cash, the amount of the cash consideration therefor shall be deemed to be the amount of cash received by the corporation for such shares (or, if such Additional Shares of Common Stock are offered by the corporation for subscription, the subscription price, or, if such Additional Shares of Common Stock are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount in the sale, underwriting or purchase thereof by underwriters or dealers or others performing similar services or for any expenses incurred in connection therewith.

(F) In case of the issuance (otherwise than as a dividend or other distribution on any stock of the corporation or upon conversion or exchange of other securities of the corporation) of Additional Shares of Common Stock for a consideration part or all of which shall be other than cash, the amount of the consideration

other than cash therefor shall be deemed to be the value of such consideration as determined by the Board of Directors, irrespective of the accounting treatment thereof. The reclassification of securities other than Common Stock into securities including Common Stock shall be deemed to involve the issuance for a consideration other than cash of such Common Stock immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such Common Stock.

(G) Additional Shares of Common Stock issuable by way of dividend or other distribution on any class of capital stock of the corporation shall be deemed to have been issued without consideration immediately after the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution.

A dividend or other distribution in cash other than out of earned surplus or in property (excluding Common Stock but including all other securities) upon Common Stock of the corporation shall be deemed to have been paid or made immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such dividend or other distribution and the amount of such dividend or other distribution in property shall be deemed to be the value of such property as of the date of the adoption of the resolution declaring such dividend or other distribution, as determined by the Board of Directors at or as of that date.

In the case of a dividend or other distribution upon any class of capital stock of the corporation consisting of securities which are convertible into or exchangeable for shares of Common Stock, such securities shall be deemed to have been issued for a consideration equal to the value thereof as determined in the manner provided in the preceding paragraph.

The reclassification of Common Stock into securities including other than Common Stock shall be deemed to involve (a) a distribution on Common Stock of such securities other than Common Stock, and (b) a combination or subdivision, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter.

(H) In case of the issuance of Additional Shares of Common Stock upon conversion or exchange of other securities of the corporation, the amount of the consideration received by the corporation for such Additional Shares shall be deemed to be the total of (a) the amount of the consideration, if any, received by the corporation upon the issuance of such other securities, plus (b) the amount of the consideration, if any, other than such other securities, received by the corporation (except in adjustment of interest or dividends) upon such conversion or exchange. In determining the amount of the consideration received by the corporation

upon the issuance of such other securities (i) the amount of the consideration in cash and other than cash shall be determined pursuant to paragraphs (E), (F) and (G) above, and (ii) if securities of the same class or series of a class as such other securities were issued for different amounts of consideration, or if some were issued for no consideration, then the amount of the consideration received by the corporation upon the issuance of each of the securities of such class or series, as the case may be, shall be deemed to be the average amount of the consideration received by the corporation upon the issuance of all the securities of such class or series, as the case may be.

(I) In case Additional Shares of Common Stock are issued as a dividend on any class of capital stock of the corporation, the conversion ratio in effect at the opening of business on the day following the date fixed for such determination shall be increased by multiplying it by a fraction of which the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the numerator shall be the sum of such number of shares and the total number of shares constituting such dividend, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. For the purposes of this paragraph (I), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the corporation but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock). The corporation will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the corporation.

(J) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the conversion ratio in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the conversion ratio in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately reduced, such increase or reduction, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective. In the event of any such subdivision, the number of shares of Common Stock outstanding immediately thereafter, to the extent of the excess thereof over the number outstanding immediately prior thereto, shall be deemed to be Additional Shares of Common Stock and to have been issued immediately after the opening of business on the day following the day upon which such subdivision shall have become effective and without consideration. In the event of any such combination, the excess of the number of shares of Common Stock outstanding immediately prior thereto over the number outstanding

immediately thereafter shall be deducted from the sum computed pursuant to clause (ii) of paragraph (C) above for the purposes of all determinations under such paragraph made on any day after the day upon which such combination becomes effective. Shares of Common Stock held in the treasury of the corporation shall be included and shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock (other than shares of Common Stock which, upon issuance, would not constitute Additional Shares of Common Stock) shall be considered outstanding for the purposes of this paragraph (J).

(K) Whenever the conversion ratio is adjusted as herein provided:

(i) the Treasurer of the corporation shall compute the adjusted conversion ratio in accordance with this subdivision (7) and shall prepare a certificate setting forth the adjusted conversion ratio and showing in detail the facts upon which such adjustment is based, including a statement of the consideration received or to be received by the corporation for, and the amount of, any Additional Shares of Common Stock issued since the last such adjustment, and such certificate shall forthwith be filed with the Transfer Agent or Agents for the Preference Stock; and

(ii) a notice stating that the conversion ratio has been adjusted and setting forth the adjusted conversion ratio shall forthwith be required, and as soon as practicable after it is required, such notice shall be published at least once in a daily newspaper in the City and County of San Francisco, California, and once in a daily newspaper in the City of New York, New York, and shall be mailed to the holders of record of the outstanding shares of Preference Stock; provided, however, that if within ten days after the completion of mailing of such a notice, an additional notice is required, such additional notice shall be deemed to be required pursuant to this clause (ii) as of the opening of business on the tenth day after such completion of mailing and shall set forth the conversion ratio as adjusted at such opening of business, and upon the publication and mailing of such additional notice, no other notice need be given of any adjustment in the conversion ratio occurring at or prior to such opening of business and after the time that the next preceding notice given by publication and mail became required.

(L) In case:

(i) the corporation shall declare a dividend on any class of capital stock of the corporation payable in shares of its Common Stock which constitute Additional Shares of Common Stock; or

(ii) the corporation shall declare a dividend (or any other distribution) on its Common Stock payable otherwise than (a) in cash out of its earned surplus or (b) in Common Stock of the corporation; or

(iii) the corporation shall authorize the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of stock of any class or of any other rights; or

(iv) of any reclassification of the capital stock of the corporation (other than a subdivision or combination of its outstanding shares of Common Stock), or of any consolidation or merger to which the corporation is a party and for which approval of any stockholders of the corporation is required, or of the conveyance of all or substantially all of the assets of the corporation; or

(v) of the voluntary or involuntary dissolution, liquidation or winding up of the corporation;

then the corporation shall cause to be mailed to the Transfer Agent or Agents for the Preference Stock and to the holders of record of the outstanding shares of the Preference Stock, at least twenty days (or ten days in any case specified in clause (i) or (ii) above) prior to the applicable record date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined, or (y) the date on which such reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding up.

(M) The corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, for the purpose of effecting the conversion of the shares of Preference Stock, the full number of shares of Common Stock then deliverable upon the conversion of all shares of Preference Stock then outstanding.

(N) No fractional shares of Common Stock are to be issued upon conversion, but the corporation shall:

(i) issue non-dividend bearing and non-voting scrip certificates for any fraction of a share which would otherwise be issuable, such certificates to be in such form as the Board of Directors shall at any time or from time to time in its discretion fix and determine, provided that the certificates

shall be exchangeable, within such period (which shall end not less than two years following the date of issue thereof) as the Board of Directors shall determine, together with other scrip certificates issued upon conversion of shares of Preference Stock aggregating one or more full shares, for stock certificates representing such full share or shares, and upon the expiration of such period shall be exchangeable for cash, as provided in the scrip certificates, within such further period (which shall end not less than six years following the date of issue of such certificates) as the Board of Directors shall determine; or

(ii) at its option, pay a cash adjustment in respect of any fraction of a share which would otherwise be issuable, in an amount equal to the same fraction of the market price per share of Common Stock (as determined by the Board of Directors) at the close of business on the day of conversion.

(O) The corporation will pay any and all taxes that may be payable in respect of the issue or delivery of shares of Common Stock on conversion of shares of Preference Stock pursuant hereto. The corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Preference Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the corporation the amount of any such tax, or has established, to the satisfaction of the corporation, that such tax has been paid.

(P) For the purpose of this subdivision (7), the term "Common Stock" shall include any stock of any class of the corporation which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the corporation, and which is not subject to redemption by the corporation. However, shares issuable on conversion of shares of Preference Stock shall include only shares of the class designated as Common Stock of the corporation as of June 30, 1965, or shares of any class or classes resulting from any reclassification or reclassifications thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the corporation and which are not subject to redemption by the corporation; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion which the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

(8) The holders of Preference Stock shall have no right to vote except as otherwise in this Certificate of Incorporation or by statute specifically provided.

If, at any time, accrued dividends on the Preference Stock shall not have been paid, or declared and a sum sufficient for the payment thereof set aside, in an amount equivalent to six full quarterly dividends on all shares of the Preference Stock at the time outstanding, then the holders of the Preference Stock, voting separately as a class, shall be entitled to elect two directors in addition to any directors elected by any other class of securities and the size of the Board will be automatically increased by the number of directors thus elected. Such right of the holders of the Preference Stock to elect two directors may be exercised until dividends in default on the Preference Stock shall have been paid or funds sufficient therefor deposited in trust. When all such dividends in default shall have been so paid or funds sufficient therefor deposited in trust (and such dividends in default shall be so paid as soon as lawful and reasonably practicable out of any assets of the corporation available therefor), the holders of the Preference Stock shall be divested of such voting rights, but subject always to the same provisions for the vesting of such voting rights in the holders of the Preference Stock in the case of any future such dividend default or defaults.

The foregoing right of the holders of the Preference Stock with respect to the election of directors of the corporation may be exercised at any annual meeting of stockholders or, within the limitations hereinafter provided, at a special meeting of stockholders held for such purpose. If the date upon which such right of the holders of the Preference Stock shall become vested shall be more than ninety days preceding the date of the next ensuing annual meeting of stockholders as fixed by the by-laws of the corporation, the President of the corporation shall, within ten days after delivery to the corporation at its principal office of a request to such effect signed by the holders of at least 5% of the Preference Stock then outstanding, call a special meeting of the holders of the Preference Stock to be held within forty days after the delivery of such request for the purpose of electing such new directors. Notice of such meeting shall be mailed to each stockholder entitled to vote at such meeting not less than ten days prior to the date of such meeting.

Whenever the holders of Preference Stock shall be entitled to elect two directors, any holder of such Preference Stock shall have the right, during regular business hours, in person or by a duly authorized representative, to examine and to make transcripts of the stock records of the corporation for the Preference Stock for the purpose of communicating with other holders of such Preference Stock with respect to the exercise of such right of election.

At any annual or special meeting of stockholders held for the purpose of electing directors when the holders of the Preference Stock shall be entitled to elect two directors, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Preference Stock shall be required to constitute a quorum for the election by such class of such directors; provided, however, that the majority of the holders of such class of stock who are present in person or by proxy shall have power to adjourn such meeting for the election of directors by such class from time to time, for a period of less than thirty days, without notice other than announcement at the meeting. No delay or failure by the holders of such class of stock to elect such members of the Board of Directors whom such holders are entitled to

elect shall invalidate the election of any other members of the Board of Directors by the holders of another class of stock.

If, during any interval between annual meetings of stockholders for the election of directors and while the holders of the Preference Stock shall be entitled to elect two directors, the number of directors in office who have been elected by the holders of the Preference Stock shall, by reason of resignation, death or removal, be less than the total number of directors subject to election by the holders of shares of such class, (a) the vacancy or vacancies in the directors elected by the holders of such class shall be filled by a majority vote of the remaining directors then in office, although less than a quorum, upon nomination by a majority of the remaining directors elected by the holders of such class or their successors, or by the sole remaining director elected by the holders of such class or succeeding a director so elected, and (b) if not so filled within forty days after the creation thereof, the President of the corporation shall call a special meeting of the holders of shares of such class and such vacancy or vacancies shall be filled at such special meeting.

Holders of Preference Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote or consent.

(9) So long as any shares of Preference Stock are outstanding, in addition to any other vote or consent of stockholders required herein or by law, the consent of the holders of not less than two-thirds (66-2/3%) of the Preference Stock at the time outstanding, given in person or by proxy, either in writing without a meeting (if permitted by law and notwithstanding any other provision of this Certificate of Incorporation) or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(A) Any amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation, or of the bylaws, of the corporation, which affects adversely the voting powers, rights or preferences of the holders of the Preference Stock or reduces the time for any notice to which the holders of the Preference Stock may be entitled; provided, however, that the amendment of the provisions of the Certificate of Incorporation so as to authorize or create, or to increase the authorized amount of, any junior stock or any stock of any class ranking on a parity with the Preference Stock, shall not be deemed to affect adversely the voting powers, rights or preferences of the holders of the Preference Stock; or

(B) The authorization or creation of, or the increase in the authorized amount of, any stock of any class or any security convertible into stock of any class, ranking prior to the Preference Stock; provided, however, that the issue of one or more additional series of Preferred Stock shall not be deemed to be the authorization or creation of stock.

(10) So long as any shares of Preference Stock are outstanding, in addition to any other vote or consent of stockholders required herein or by

law, the consent of the holders of a majority of the Preference Stock at the time outstanding, given in person or by proxy, either in writing without a meeting (if permitted by law and notwithstanding any other provision of this Certificate of Incorporation) or by vote at any meeting called for the purpose, shall be necessary for effecting and validating any increase in the authorized amount of the Preference Stock, or the authorization or creation of, or the increase in the authorized amount of, any stock of any class or any security convertible into stock of any class, ranking on a parity with the Preference Stock.

(11) As used herein with respect to the Preference Stock, the following terms shall have the following meanings:

(A) The term "junior stock" shall mean the Common Stock and any other class of stock of the corporation hereafter authorized over which the Preference Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the corporation.

(B) The term "accrued dividends" with respect to any share shall mean an amount computed at the annual dividend rate from the date on which dividends on such share became cumulative to and including the date to which such dividends are to be accrued, less the aggregate amount of all dividends theretofore paid thereon.

(12) Shares of Preference Stock shall be issued only as fully paid and non-assessable shares.

SIX: No holder of shares of stock of any class of the corporation shall be entitled as of right to purchase or subscribe for any part of any unissued stock of this corporation or of any new or additional authorized stock of the corporation of any class whatsoever, or of any issue of securities of the corporation convertible into stock, whether such stock or securities be issued for money or for a consideration other than money or by way of dividend, but any such unissued stock or such new or additional authorized stock or such securities convertible into stock may be issued and disposed of to such persons, firms, corporations and associations, and upon such terms as may be deemed advisable by the Board of Directors without offering to stockholders then of record or any class of stockholders any thereof upon the same terms or upon any terms.

SEVEN: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the bylaws of the corporation.

EIGHT: Bylaws shall not be made, repealed, altered, amended or rescinded by the stockholders of the corporation except by the vote of the holders of not less than two-thirds (66-2/3%) of the total voting power of all outstanding shares of Common Stock of the corporation.

NINE: The number of directors of the corporation shall be fixed from time to time by a bylaw or amendment thereof duly adopted by the Board of Directors, or by the stockholders acting in accordance with Article EIGHT hereof, except as set forth in Article FIVE hereof.

TEN: The Board of Directors shall be and is divided into three classes, Class I, Class II and Class III, as nearly equal in number of directors as possible, with the term of office of the directors of one class expiring each year. Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected; provided, however, that the directors first elected to Class I shall serve for a term ending on the date of the annual meeting next following the end of the calendar year 1982, the directors first elected to Class II shall serve for a term ending on the date of the second annual meeting next following the end of the calendar year 1982, and the directors first elected to Class III shall serve for a term ending on the date of the third annual meeting next following the end of the calendar year 1982.

In the event of any change in the authorized number of directors, the Board of Directors shall apportion any newly created directorships to, or reduce the number of directorships in, such class or classes as shall, so far as possible, equalize the number of directors in each class. If, consistently with the rule that the three classes shall be as nearly equal in number of directors as possible, any newly created directorship may be allocated to one of two or more classes, the Board of Directors shall allocate it to the available class whose term of office is due to expire at the earliest date following such allocation.

Notwithstanding any of the foregoing, each director shall serve for a term continuing until the annual meeting of the stockholders at which the term of the class to which he was elected expires and until his successor is elected and qualified or until his earlier death, resignation or removal.

Except as provided in subdivision (8) of Article FIVE hereof, any vacancies in the Board of Directors for any reason, and any newly created directorships resulting from any increase in the number of directors, may be filled by the Board of Directors, acting by a majority of the directors then in office, although less than a quorum; and any directors so chosen shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be elected and qualified.

ELEVEN: During any period when the holders of Preferred Stock or Preference Stock, each voting as a class, shall be entitled and shall have exercised their right to elect a specified number of directors, by reason of dividend arrearages or other contingencies giving them the right to do so, then and during such time as such right continues (1) the then otherwise authorized number of directors shall be increased by such specified number of directors, and the holders of the Preferred Stock or Preference Stock, each voting as a class, shall be entitled to elect the additional directors so provided for, pursuant to the provisions of such Preferred Stock or Preference Stock; (2) each such additional director shall not be a member of Class I, Class II or Class III, but shall serve until the next annual meeting or until his successor shall be elected and shall qualify, or until his right to hold

such office terminates pursuant to the provisions of such Preferred Stock or Preference Stock, whichever is earlier; and (3) whenever the holders of such Preferred Stock or Preference Stock are divested of such rights to elect a specified number of directors, each voting as a class pursuant to the provisions of such Preferred Stock or Preference Stock, the terms of office of all directors elected by the holders of such Preferred Stock or Preference Stock, each voting as a class pursuant to such provisions, or elected to fill any vacancies resulting from the death, resignation or removal of directors so elected by the holders of such Preferred Stock or Preference Stock shall forthwith terminate and the authorized number of directors shall be reduced accordingly.

TWELVE: The affirmative vote of the holders of not less than two-thirds (66-2/3%) of the total voting power of all outstanding shares of voting stock of the corporation shall be required for the approval of any proposal that:

(1) the corporation merge or consolidate with any other corporation or any affiliate of such other corporation if such other corporation and its affiliates singly or in the aggregate are directly or indirectly the beneficial owners of more than 10% of the total voting power of all outstanding shares of voting stock of the corporation (such other corporation and any affiliate thereof being herein referred to as a "Related Corporation"); or

(2) the corporation sell or exchange all or substantially all of its assets or business to or with such Related Corporation; or

(3) the corporation issue or deliver any stock or other securities of the corporation in exchange or payment for any properties or assets of such Related Corporation or securities issued by such Related Corporation, or in a merger of any affiliate of the corporation with or into such Related Corporation or any of its affiliates, and to effect such transaction the approval of stockholders of the corporation is required by law or by any agreement between the corporation and any national securities exchange;

provided, however, that the foregoing subdivisions (1), (2) and (3) of this Article TWELVE shall not apply to any such merger, consolidation, sale or exchange, or issuance or delivery of stock or other securities,

(A) approved by resolution of the Board of Directors adopted by the affirmative vote of not less than two-thirds of the then authorized number of directors; or

(B) which was approved by resolution of the Board of Directors prior to the acquisition of the beneficial ownership of more than 10% of the total voting power of all outstanding shares of voting stock of the corporation by such Related Corporation and its affiliates; or

(C) any such transaction solely between the corporation and another corporation of which 50% or more of the outstanding stock entitled to vote in an election of directors is owned by the corporation.

For the purposes hereof, (1) an "affiliate" is any person (including a corporation, partnership, trust, estate or individual) who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified; (2) "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise; (3) "voting stock" means Common Stock; and (4) in computing the percentage of outstanding Common Stock beneficially owned by any person, the shares outstanding and the shares owned shall be determined as of the record date fixed to determine the stockholders entitled to vote or express consent with respect to such proposal. The stockholder vote, if any, required for mergers, consolidations, sales or exchanges of assets or issuances of stock or other securities not expressly provided for in this Article, shall be such as may be required by applicable law.

THIRTEEN: A director may be removed from office at any time, but only for cause, and only by the affirmative vote of the holders of a majority of shares entitled to vote at an election of directors. Notwithstanding the foregoing, any director elected by the holders of Preferred Stock or Preference Stock may be removed with or without cause by the holders of Preferred Stock or Preference Stock entitled to vote in the election of such director.

FOURTEEN: No action shall be taken by the stockholders except at an annual or special meeting of stockholders.

FIFTEEN: Special meetings of the stockholders of the corporation for any purpose or purposes may be called at any time by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President, or by a committee of the Board of Directors which has been duly designated by the Board of Directors and whose powers and authority, as provided in a resolution of the Board of Directors or in the bylaws of the corporation, include the power to call such meetings, but such special meetings may not be called by any other person or persons; provided, however, that if and to the extent that any special meeting of stockholders may be called by any other person or persons specified in any provisions of the Certificate of Incorporation or any amendment thereto, or any certificate filed under Section 151(g) of the Delaware General Corporation Law (or its successor statute as in effect from time to time hereafter), then such special meeting may also be called by the person or persons in the manner, at the times and for the purposes so specified.

SIXTEEN: Elections of directors shall be by written ballot unless the bylaws of the corporation shall otherwise provide.

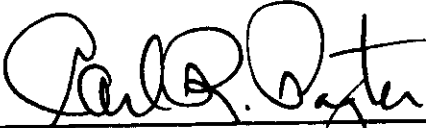
SEVENTEEN: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereinafter prescribed by statute, and all rights conferred by stockholders herein are granted subject to this reservation. Notwithstanding the foregoing, the provisions set forth in Articles EIGHT (dealing with the alteration of bylaws by stockholders), NINE (dealing with the number of directors), TEN (dealing with the classified Board), TWELVE (dealing with the stockholder vote required for certain transactions), THIRTEEN (dealing with the removal of directors), FOURTEEN (dealing with

the prohibition against stockholder action without meetings), FIFTEEN (dealing with the calling of special meetings of stockholders) and this Article SEVENTEEN may not be repealed or amended in any respect unless such repeal or amendment is approved by the affirmative vote of the holders of not less than 66-2/3% of the total voting power of all outstanding shares of Common Stock of the corporation.

EIGHTEEN: The name and mailing address of the incorporator of the corporation is:

Carl R. Pagter
300 Lakeside Drive
Oakland, California 94612

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of Delaware, does make and file the Certificate of Incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 12th day of March, 1982.



Carl R. Pagter