

2004 MAR -5 AM 8:31
 SECRETARY OF STATE
 STATE OF IDAHO

**ARTICLES OF MERGER OR CONSOLIDATION
 OF
 RED ROCKS LIMITED COMPANY,
 an Idaho limited liability company,
 and
 RED ROCKS OPTICAL CORPORATION,
 a California corporation**

IDAHO SECRETARY OF STATE
 03/16/2004 05:00
 SK: 2461737788SLD CT: 172899 BH: 733310
 1 @ 38.00 = 38.00 MERGER # 2
 1 @ 20.00 = 20.00 EXPEDITE C-13

STATE OF IDAHO
 SECRETARY OF STATE

MAR 16 PM 1:14

Pursuant to the provisions of Idaho Limited Liability Company Act § 53-663, Red Rocks Optical Corporation, a California corporation, as the surviving entity, hereby files these Articles of Merger or Consolidation.

**ARTICLE I
 BUSINESS ENTITIES INVOLVED IN MERGER**

The name and jurisdiction of formation of each business entity that is to merge or consolidation are: Red Rocks Limited Company, an Idaho limited liability company (the "Merging Entity"); and Red Rocks Optical Corporation, a California corporation (the "Surviving Entity"). No other business entities are a party to this merger.

**ARTICLE II
 AGREEMENT OF MERGER OR CONSOLIDATION**

An Agreement and Plan of Merger (the "Agreement of Merger"), pursuant to which the Merging Entity will be merged with and into the Surviving Entity pursuant to California Corporations Code § 1113 and Idaho Code § 53-662, has been approved and executed by each of the Merging Entity and the Surviving Entity.

**ARTICLE III
 SURVIVING ENTITY**

The name of the surviving or resulting entity is: Red Rocks Optical Corporation, a California corporation.

**ARTICLE IV
 EFFECTIVE DATE**

The merger became effective as of the close of business on December 16, 2003.

**ARTICLE V
 AGREEMENT OF MERGER ON FILE**

The Agreement of Merger is on file at the principal place of business of the Surviving Entity, which place of business is located at: 2501 Ninth Street, Suite 100, Berkeley, California 94710.

**ARTICLE VI
COPY OF AGREEMENT OF MERGER AVAILABLE**

A copy of the Agreement of Merger will be furnished by the Surviving Entity, on request and without cost, to any person holding an interest in either the Merging Entity or the Surviving Entity.

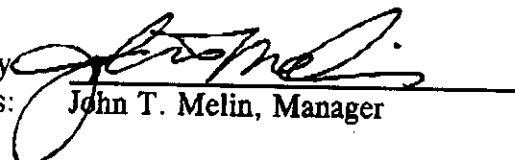
**ARTICLE VII
STATEMENT OF SURVIVING ENTITY**

The Surviving Entity hereby states that it agrees that it may be served with process in the State of Idaho in any proceeding for enforcement of any obligation of the Merging Entity, as well as for enforcement of any obligation of the Surviving Entity. The Surviving Entity hereby appoints the secretary of state of the State of Idaho as its agent for service of process in any such proceeding. The address at which a copy of the process shall be mailed to the Surviving Entity by the secretary of state of the State of Idaho shall be at: Attn: President, 2501 Ninth Street, Suite 100, Berkeley, California 94710.

IN WITNESS WHEREOF, the sole manager of the Merging Entity and the chief executive officer of the Surviving Entity have executed these Articles of Merger effective as of December 16, 2003.

Merging Entity:

Red Rocks Limited Company,
an Idaho limited liability company,

By: 
Its: John T. Melin, Manager

Surviving Entity:

Red Rocks Optical Corporation,
a California corporation,

By: 
Its: John T. Melin, Chief Exec. Officer

A060615 ENDORSED - FILED
in the office of the Secretary of State
of the State of California

DEC 16 2003

AGREEMENT AND PLAN OF MERGER**KEVIN SHELLEY**
Secretary of State

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**"), dated November 18, 2003, is among Red Rocks Limited Company, an Idaho limited liability company ("**Red Rocks LLC**"), and Red Rocks Optical Corporation, a California corporation ("**Red Rocks Corp**").

BACKGROUND

The boards of directors of Red Rocks Corp and the manager and the members of Red Rocks LLC each have approved this Agreement and the merger provided for under this Agreement, and declared the merger advisable and fair to, and in the best interests of, the members of Red Rocks LLC.

Pursuant to the merger, all of the issued and outstanding membership interests of Red Rocks LLC ("**Membership Interests**") will be converted into the right to receive capital stock of Red Rocks Corp ("**Capital Stock**").

Red Rocks LLC and Red Rocks Corp agree as follows:

ARTICLE I
THE MERGER

SECTION 1.1 The Merger. At the Effective Time and upon the terms and subject to the conditions of this Agreement and in accordance with the provisions of the California Corporations Code (the "**California Code**"), Red Rocks LLC will be merged with and into Red Rocks Corp (the "**Merger**"). Following the Merger, Red Rocks Corp will continue as the surviving corporation (the "**Surviving Corporation**"), and the separate existence of Red Rocks LLC will cease. For Federal income tax purposes, the Merger shall be considered a transaction described in Section 368(a)(1)(F) of the Internal Revenue Code of 1986, as amended. For California Code purposes, the Merger shall be considered a transaction described in Section 25103(h)(1)(B) of the California Code.

SECTION 1.2 Effective Time. Red Rocks LLC and Red Rocks Corp will cause the Merger to be consummated by filing a certificate of approval of merger or other appropriate documents (a "**Certificate of Merger**") with the Secretary of State of the State of California, in such form as required by, and executed in accordance with, the relevant provisions of the California Code as soon as practicable on or after the Closing Date (as defined below). The Merger will become effective at the date and time at which the Certificate of Merger has been filed or at such time thereafter as is provided in the Certificate of Merger (the "**Effective Time**").

SECTION 1.3 Closing of the Merger. The closing of the Merger (the "**Closing**") will take place at a time and on a date to be specified by the parties (the "**Closing Date**"), which will be no later than the second business day after satisfaction or waiver of the conditions set forth in Article III (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions), at the offices of Red Rocks LLC or at such other time, date or place as agreed to in writing by the parties.

SECTION 1.4 Effects of the Merger. The Merger will have the effects set forth in the California Code. At the Effective Time, all of the properties, rights, privileges, powers and franchises of Red Rocks LLC will vest in the Surviving Corporation, and all debts, liabilities and duties of Red Rocks LLC will become the debts, liabilities and duties of the Surviving Corporation.

SECTION 1.5 Articles of Incorporation and Bylaws. Effective immediately following the Merger, the articles of incorporation of Red Rocks Corp. will continue as the articles of incorporation of the Surviving Corporation until amended in accordance with applicable law. Effective immediately following the Merger, the bylaws of Red Rocks Corp. will continue as the bylaws of the Surviving Corporation until amended in accordance with applicable law.

SECTION 1.6 Directors. Effective immediately following the Merger, the directors of Red Rocks Corp. will continue as the directors of the Surviving Corporation and will hold office in accordance with the articles of incorporation and bylaws of the Surviving Corporation until their successors are duly elected or appointed and qualified or until their earlier death, resignation or removal.

SECTION 1.7 Officers. Effective immediately following the Merger, the officers of Red Rocks Corp. will continue in their respective offices as the officers of the Surviving Corporation. Such officers will hold office in accordance with the Articles of Incorporation and bylaws of the Surviving Corporation until their successors are duly elected or appointed and qualified or until their earlier death, resignation or removal.

ARTICLE II CONVERSION OF SECURITIES

SECTION 2.1 Conversion of Securities. As of the date of this Agreement, Red Rocks LLC has issued and outstanding the following securities: Membership Interests; options that have been granted to certain current and former members of Red Rocks LLC's management to purchase additional Membership Interests, including some options that have been reserved for future issuance ("**Management Options**"); and a warrant that has been granted to a significant creditor of Red Rocks LLC to purchase Membership Interests ("**Warrant**"). The holders of such securities, and the Membership Interests attributable to each holder with respect to such securities, are set forth on Exhibit A attached hereto. Exhibit A first indicates the Membership Interests as currently outstanding, assuming no holder of Managements Options or the Warrant has exercised the right to purchase Membership Interests, and next indicates the Membership Interests that would be outstanding assuming that all holders of Managements Options (including all options that have been reserved for future issuance) and the Warrant were exercised and the applicable Membership Interests issued to the holders thereof. As of the date of this agreement, Red Rocks Corp. has one share of Capital Stock outstanding ("**Outstanding Share of Capital Stock**"), which share is held by Red Rocks LLC. The Membership Interests, the Management Options, the Warrant and the Outstanding Share of Capital Stock shall be converted into the right to receive Capital Stock in Red Rocks, or cancelled, as follows.

(i) At the Effective Time, each of the Membership Interests will, by virtue of the Merger and without any action on the part of Red Rocks LLC, Red Rocks Corp or any holder thereof, be converted into and exchanged for the right to receive the total number of shares of Capital Stock in Red Rocks Corp as set forth on Exhibit B attached hereto.

(ii) At the Effective Time, each of the Management Options will, by virtue of the Merger and without any action on the part of Red Rocks LLC, Red Rocks Corp or any holder thereof, be converted into and exchanged for the right to receive options to purchase the total number of shares of Capital Stock in Red Rocks Corp as set forth on Exhibit C attached hereto.

(iii) At the Effective Time, the Warrant will, by virtue of the Merger and without any action on the part of Red Rocks LLC, Red Rocks Corp or the holder thereof, be converted into and exchanged for the right to receive a stock warrant to purchase the total number of shares of Capital Stock in Red Rocks Corp as set forth on Exhibit D attached hereto.

(iv) At the Effective Time, the one share of Outstanding Capital Stock will, by virtue of the Merger and without any action on the part of Red Rocks LLC or Red Rocks Corp, be cancelled without consideration.

The figures set forth on the applicable Exhibits were calculated based on the following guideline. Each person that holds a 1.000% ownership interest in Red Rocks LLC, on a fully-diluted basis (i.e., assuming that all holders of Managements Options, including all options that have been reserved for future issuance, and the Warrant were exercised and the applicable Membership Interests issued to the holders thereof), prior to the Merger will receive 7,160 shares of Red Rocks Corp as a result of the Merger.

SECTION 2.2 Notification of Conversion. As soon as reasonably practicable after the Effective Time, the Surviving Corporation will mail to each person that, immediately prior to the Effective Time, was the owner or holder of Membership Interests, Management Options and the Warrant a letter of transmittal which will specify that such person's Membership Interests, Management Option or the Warrant in Red Rocks LLC has been converted into the number of shares of Capital Stock in Red Rocks Corp, or the right to purchase the number of shares of Capital Stock in Red Rocks Corp, as listed on Exhibit B, Exhibit C and Exhibit D, respectively ("**Red Rocks LLC Consideration**").

SECTION 2.3 Distributions after Effective Time. Distributions made with respect to the Membership Interests in Red Rocks LLC will be paid to the holder of the Capital Stock of Red Rocks Corp in such amounts as such holder would be entitled to receive based upon the number of shares of Capital Stock of Red Rocks Corp held by such holder.

SECTION 2.4 No Rights in Certificate of Red Rocks LLC. From and after the Effective Time, all Membership Interests in Red Rocks LLC outstanding immediately prior to the Effective Time shall no longer be considered outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder, if any, of a certificate evidencing a Membership Interest of Red Rocks LLC outstanding immediately prior to the Effective Time shall cease to have any rights with respect thereto.

ARTICLE III CONDITIONS TO CONSUMMATION OF THE MERGER

SECTION 3.1 Conditions to Each Party's Obligations to Effect the Merger. The respective obligations of each party to consummate the transactions contemplated by this Agreement are subject to the fulfillment at or prior to the Effective Time of each of the following conditions, any or all of which may be waived in whole or in part by the party being benefited thereby, to the extent permitted by applicable law:

(a) This Agreement shall have been approved and adopted by the required vote of the manager and the members of Red Rocks LLC.

(b) This Agreement shall have been approved and adopted by the required vote of the board of directors and sole shareholder of Red Rocks Corp.

(c) There shall not be in effect any law of any governmental entity of competent jurisdiction restraining, enjoining or otherwise preventing consummation of the transactions contemplated by this Agreement.

(d) All necessary approvals, filings and permits under state securities laws or the Securities Act of 1933 that are required to be obtained prior to and in connection with the vote of the manager and the members of Red Rocks LLC on this Agreement and the Merger or the issuance of Capital Stock in connection with the Merger shall have been received.

Notwithstanding the foregoing, the satisfaction of the conditions of this Section 3.1 will not be a condition to the obligations of a party to effect the Merger if the failure to satisfy this condition results from any action taken or agreed to be taken by or on behalf of that party. Any conditions in this Section 3.1 can be waived with the consent of Red Rocks LLC and Red Rocks Corp.

ARTICLE IV TERMINATION; AMENDMENT; WAIVER

SECTION 4.1 Termination by Red Rocks LLC. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, whether before or after the approval of the Merger by the manager and the members of Red Rocks LLC, by action of the manager of Red Rocks LLC.

SECTION 4.2 Effect of Termination and Abandonment. In the event of termination of this Agreement and the abandonment of the Merger pursuant to this Article IV, this Agreement will become void and of no effect with no liability on the part of any party (or of any of its directors, officers, shareholders, members, managers, employees, agents, legal and financial advisors, or other representatives).

SECTION 4.3 Amendment. This Agreement may be amended by an instrument in writing executed by each of the parties at any time prior to the filing of documents regarding the Merger with the Secretary of State of the State of California and only if in accordance with California Corporations Code Section 175551(c).

SECTION 4.4 Extension; Waiver. At any time prior to the Effective Time, each party may (i) extend the time for the performance of any of the obligations or other acts of the other party, (ii) waive any inaccuracies in the representations and warranties of the other party contained in this Agreement or in any document, certificate or writing delivered pursuant to this Agreement, or (iii) waive compliance by the other party with any of the agreements or conditions contained in this Agreement. Any agreement on the part of either party to any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to assert any of its rights under this Agreement will not constitute a waiver of such rights.

ARTICLE V MISCELLANEOUS

SECTION 5.1 Entire Agreement; Assignment.

(a) This Agreement constitutes the entire agreement between the parties in respect of the subject matter of this Agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties in respect of the subject matter of this Agreement.

(b) Neither this Agreement nor any of the rights, interests or obligations hereunder will be assigned by operation of law (including, by merger or consolidation) or otherwise. Any assignment in violation of the preceding sentence will be void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties, and their respective successors and permitted assigns.

SECTION 5.2 Notices. All notices, requests, instructions or other documents to be given under this Agreement will be in writing and will be deemed given, (i) five business days following sending by registered or certified mail, postage prepaid, (ii) when sent if sent by facsimile, *provided, however*, that the facsimile is promptly confirmed by telephone confirmation thereof, (iii) when delivered, if delivered personally to the intended recipient, and (iv) one business day following sending by overnight delivery via a national courier service, and in each case, addressed to a party at the following address for such party:

if to Red Rocks LLC, to: Red Rocks Limited Company
P.O. Box 6889
Ketchum, Idaho 83340
Attn: John T. Melin, Manager
Fax No.: (208) 726-2992

if to Red Rocks Corp, to: Red Rocks Optical Corporatiton
2501 Ninth Street, Suite 100
Berkeley, California 94710
Attn: Jeff DeFazio, President
Fax No.: (510) 848-4090

or to such other address or facsimile number as the person to whom notice is given may have previously furnished to the other in writing in the manner set forth above.

SECTION 5.3 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

SECTION 5.4 Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

SECTION 5.5 Parties in Interest. This Agreement will be binding upon and inure solely to the benefit of each party hereto, and its successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or will confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 5.6 Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions of this Agreement. If any provision of this Agreement, or the application of this Agreement to any person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision will be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other persons or circumstances will not be affected by such invalidity or unenforceability, nor will such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of this Agreement, in any other jurisdiction.


SECTION 5.7 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in addition to any other remedy to which they are entitled at law or in equity.

SECTION 5.8 Counterparts. This Agreement may be executed in two or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

[THE REMAINDER OF PAGE HAS BEEN INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed on its behalf as of the date first above written.

RED ROCKS LIMITED COMPANY, an Idaho
limited liability company

By: 

Name: John T. Melin

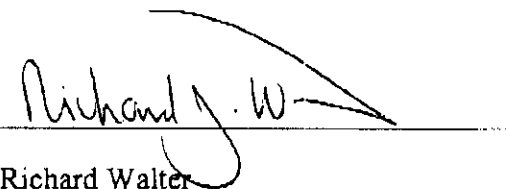
Title: Manager

RED ROCKS OPTICAL CORPORATION, a
California corporation

By: 

Name: Jeff DeFazio

Title: President

By: 

Name: Richard Walter

Title: Secretary

EXHIBIT A

<u>NAME OF MEMBER</u>	<u>MEMBERSHIP INTEREST IN RED ROCKS LLC (without dilution)</u>	<u>MEMBERSHIP INTEREST IN RED ROCKS LLC (on a fully-diluted basis)</u>
<u>MEMBERSHIP INTERESTS</u>		
Ashley Melin Grantor Trust	5.18%	4.182%
Whitney Melin Grantor Trust	5.18%	4.182%
Deanna D. Melin	12.30%	9.930%
John T. Melin – Community Property	62.71%	50.624%
John T. Melin – Separate Property	3.37%	2.723%
Kirk E. Lyon	4.51%	3.638%
Wilsey Bennett, Inc.	6.75%	5.447%
<u>MANAGEMENT OPTIONS</u>		
Jeff DeFazio	0.00%	7.391%
Clayton Chan	0.00%	1.642%
Dave Bibbey	0.00%	1.232%
Richard Walter	0.00%	0.821%
Dawn Sagorsky	0.00%	0.411%
Other/Available	0.00%	0.797%
<u>WARRANT</u>		
John Melin	0.00%	6.983%
<u>TOTALS</u>	100.00%	100.00%

As for the reference in your memorandum to paragraph 5 of the Certificate of Approval of Agreement of Merger, please see attached revised form of such certificate.

EXHIBIT B

<u>NAME OF MEMBER</u>	<u>MEMBERSHIP INTEREST IN RED ROCKS LLC (on a fully-diluted basis)</u>	<u>RIGHT TO RECEIVE SHARES OF CAPITAL STOCK IN RED ROCKS CORP</u>
Ashley Melin Grantor Trust	4.1815642%	29,940
Whitney Melin Grantor Trust	4.1815642%	29,940
Deanna D. Melin	9.9301675%	71,100
John T. Melin – Community Property	50.6243017%	362,470
John T. Melin – Separate Property	2.7234636%	19,500
Kirk E. Lyon	3.6382681%	26,050
Wilsey Bennett, Inc.	5.4469273%	39,000

EXHIBIT C

<u>NAME OF MEMBER</u>	<u>OPTIONS TO PURCHASE MEMBERSHIP INTEREST IN RED ROCKS LLC (on a fully-diluted basis)</u>	<u>RIGHT TO RECEIVE OPTIONS TO PURCHASE SHARES OF CAPITAL STOCK IN RED ROCKS CORP</u>
Jeff DeFazio	7.3910614%	52,920
Clayton Chan	1.6424581%	11,760
Dave Bibbey	1.2318435%	8,820
Richard Walter	0.821229%	5,880
Dawn Sagorsky	0.4106145%	2,940
Other/Available	0.793296%	5,680

EXHIBIT D

<u>NAME OF MEMBER</u>	<u>WARRANT TO PURCHASE</u> <u>MEMBERSHIP INTEREST IN</u> <u>RED ROCKS LLC</u> <u>(on a fully-diluted basis)</u>	<u>RIGHT TO RECEIVE</u> <u>STOCK WARRANT</u> <u>TO PURCHASE SHARES</u> <u>OF CAPITAL STOCK</u> <u>IN RED ROCKS CORP</u>
John Melin	6.9832402%	50,000

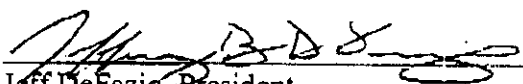
RED ROCKS OPTICAL CORPORATION**CERTIFICATE OF APPROVAL OF AGREEMENT OF MERGER**

The undersigned, Jeff DeFazio and Richard Walter, hereby certify that:

1. Jeff DeFazio is the President of Red Rocks Optical Corporation, a California corporation (the "Corporation").
2. Richard Walter is the Secretary of the Corporation.
3. The Agreement and Plan of Merger, in the form attached, was duly approved by the board of directors and the sole shareholder of the Corporation.
4. Shareholder approval was by the holder of 100% of the outstanding shares of the Corporation.
5. There is only one class of shares and the number of shares outstanding in that class is 1. The percentage vote required of such class to approve the Agreement and Plan of Merger was 100% of the outstanding shares of the Corporation.

Each of the undersigned further declares, under penalty of perjury under the laws of the State of California, that the matters set forth in this Certificate are true and correct to his knowledge.

Dated: November 18, 2003.


Jeff DeFazio, President


Richard Walter, Secretary