ARTICLES OF MERGER
MERGING
IDAHO ACQUISITION CORPORATION, an Idaho corporation
INTO
IN-SYSTEM DESIGN, INC., an Idaho corporation

SEP 14 4 46 PM '01

SECRETARY OF STATE
STATE OF IDAHO

These Articles of Merger are executed by the undersigned pursuant to Section 30-1-1105 of the Idaho Business Corporations Act (the "IBCA").

Article 1

In-System Design, Inc., an Idaho corporation, will be the surviving company, and is hereinafter referred to as the "Surviving Company."

Article 2

Idaho Acquisition Corporation, an Idaho corporation, will be the non-surviving company, and is hereinafter referred to as the "Non-Surviving Company."

Article 3

A plan of merger has been adopted by Surviving Company and Non-Surviving Company (the "Plan of Merger").

Article 4

The vote of the shareholders of the Surviving Corporation on the Plan of Merger was as follows:

a. There were 449,250 shares of Class A common stock, par value 0.10¢ per share, of the Surviving Corporation entitled to be cast on the Plan of Merger.

b. There were 449,250 votes cast for the approval of the Plan of Merger by the Class A common stockholders, which was sufficient under the IBCA to approve the Plan of Merger for the Class A common stockholders.

c. There were 0 votes cast against the approval of the Plan of Merger by the Class A common stockholders.

d. There were 7,225 shares of Class B common stock, par value 0.10¢ per share, of the Surviving Corporation entitled to be cast on the Plan of Merger.

e. There were 7,225 votes cast for the approval of the Plan of Merger by the Class B common stockholders, which was sufficient under the IBCA to approve the Plan of Merger for the Class B common stockholders.

IDAHO SECRETARY OF STATE
09/17/2001 05:00
CK: 71827 CT: 1177 BH: 419257
1 @ 30.00 = 30.00 MERGER # 4
1 @ 20.00 = 20.00 EXPEDITE C # 5

C140341

f. `There were 0 votes cast against the approval of the Plan of Merger by the Class A common stockholders.

Article 5

The vote of the shareholders of the Non-Surviving Corporation on the Plan of Merger was as follows:

a. There were 1,000 shares of common stock, at no par value per share, of the Non-Surviving Corporation entitled to be cast on the Plan of Merger.

b. There were 1,000 votes cast for the approval of the Plan of Merger by the common stockholders, which was sufficient under the IBCA to approve the Plan of Merger by the common stockholders.

c. There were 0 votes cast against the approval of the Plan of Merger by the common stockholders.

Article 6

The Merger shall be effective as of the time of filing of these Articles of Merger.

Article 7

The Plan of Merger is as follows:

BEGINNING OF PLAN OF MERGER

PLAN OF MERGER

This Plan of Merger is by and among Cypress Semiconductor Corporation, a Delaware corporation ("*Parent*"), In-System Design, Inc., an Idaho corporation (the "*Company*") and Idaho Acquisition Corporation, an Idaho corporation (the "Merger Sub").

ARTICLE I

THE MERGER

1.1 The Merger. At the Effective Time (as defined in Section 1.2) and subject to and upon the terms and conditions of this Plan of Merger and the applicable provisions of the Idaho Business Corporation Act ("*Idaho Law*"), Merger Sub shall be merged with and into the Company, the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation. The surviving corporation after the Merger is sometimes referred to hereinafter as the "Surviving Corporation."

1.2 Effective Time. The parties hereto shall cause the Merger to be consummated by filing Articles of Merger in such form as shall be agreed upon by Parent and the Company (the "Articles of Merger") with the Idaho Secretary of State, in accordance with the relevant provisions of applicable Idaho Law (the time of filing with the Idaho Secretary of State being referred to herein as the "*Effective Time*").

1.3 Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of Idaho Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

1.4 Articles of Incorporation; Bylaws.

(a) At the Effective Time, the Articles of Incorporation of the Company shall be amended and restated to be the same as the Articles of Incorporation of the Merger Sub as in effect immediately prior to the Effective Time, and such amended and restated Articles of Incorporation shall be the Articles of Incorporation of the Surviving Corporation until thereafter amended in accordance with Idaho Law and as provided in such Articles of Incorporation. A copy of the Company's proposed Amended and Restated Articles of Incorporation are included at the end of this Plan of Merger.

(b) The Bylaws of Merger Sub as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation at the Effective Time, until thereafter amended in accordance with Idaho Law and as provided in the Articles of Incorporation of the Surviving Corporation and such Bylaws.

1.5 Directors and Officers. The directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation, each to hold the office of a director of the Surviving Corporation in accordance with the provisions of Idaho Law and the Articles of Incorporation and Bylaws of the Surviving Corporation until their successors are duly elected and qualified. The officers of Merger Sub immediately prior to the Effective Time shall be the officers of the Surviving Corporation, each to hold office in accordance with the provisions of the Bylaws of the Surviving Corporation.

1.6 Merger Consideration.

(a) Certain Definitions. For purposes of this Plan of Merger, the following terms shall have the following meanings:

"*20-Day Average Price*" shall mean the average closing price of a share of Parent Common Stock for the twenty (20) consecutive trading days beginning on the twenty-second (22nd) trading day prior to the Closing Date.

"*Company Capital Stock*" shall mean shares of Company Common Stock, Company Series A Preferred Stock and any other capital stock of the Company.

"*Company Common Stock*" shall mean shares of the Company's Class A common stock, $0.10 par value per share, and Class B common stock, $0.10 par value per share.

"*Company Convertible Securities*" shall mean Company Series A Preferred Stock, Company Options and any other rights to acquire or receive shares of Company Capital Stock.

"*Company Options*" shall mean all issued and outstanding options to purchase or otherwise acquire Company Capital Stock, whether or not vested, but shall not include Company Series A Preferred Stock.

"*Company Series A Preferred Stock*" shall mean shares of the Company's Series A Preferred Stock, $0.10 par value per share.

"*Company Stockholders*" shall mean holders of shares of Company Capital Stock immediately prior to the Effective Time.

"*Escrow Amount*" shall mean to be placed in the escrow account in accordance with ARTICLE II hereof.

"*Exchange Price*" shall mean (i) the Total Transaction Value divided by (ii) the Total Outstanding Shares (with the result rounded to four decimal places).

"*Expiration Date*" shall mean 5:00 p.m., California time, on the first anniversary of the Closing Date.

"*Option Exchange Ratio*" shall mean (i) the Exchange Price divided by (ii) the 20-Day Average Price (with the result rounded to four decimal places).

"*Parent Common Stock*" shall mean shares of common stock, $0.01 par value per share, of Parent.

"*Third Party Expenses*" shall mean all fees and expenses incurred in connection with the Merger including, without limitation, all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties incurred by a party in connection with the negotiation and effectuation of the terms and conditions of this Plan of Merger and the transactions contemplated hereby.

"*Total Outstanding Shares*" shall mean the number of shares of Company Common Stock and shares of Company Common Stock issuable upon exercise or conversion of Company Convertible Securities, in each case outstanding immediately prior to the Effective Time, except shares to be cancelled pursuant to Section 1.6(f) below.

"*Total Transaction Value*" shall mean $45,000,000; provided however, that if the Company's Third Party Expenses exceed $275,000, then the Total Transaction Value shall be reduced to the extent that such Third Party Expenses exceed $275,000.

(b) Conversion of Company Common Stock. Subject to the terms and conditions of this Plan of Merger, as of the Effective Time, by virtue of the Merger and without any action on the part of Merger Sub, the Company or any Company Stockholder, each share of Company Common Stock (other than any Dissenting Shares, as defined in Section 1.7, or any shares of Company Common Stock held by the Parent) will be canceled and extinguished and be converted automatically into the right to receive, upon surrender of the certificate representing such share of Company Common Stock in the manner provided in Section 1.8(c) an amount of cash equal to the Exchange Price, rounded to the nearest whole cent. Except as set forth in the definition of "Total Transaction Value", there shall be no adjustment in the Exchange Price as a result of any cash proceeds received by the Company from the date hereof to the Closing Date pursuant to the exercise of Company Convertible Securities. Notwithstanding the foregoing, the amount of cash to be distributed at the Closing to Company Stockholders with respect to shares of Company Common Stock shall be reduced pursuant to the escrow provisions of Section 1.8(b) and ARTICLE II hereof.

(c) Assumption of Company Options. At the Effective Time, each outstanding Company Option issued pursuant to the Company's 1997 Stock Option Plan and 1999 Stock Option/Stock Issuance Plan (the "Option Plans") or otherwise, whether vested or unvested, will be assumed by Parent in connection with the Merger. Each Company Option so assumed by Parent under this Plan of Merger shall continue to have, and be subject to, the same terms and conditions set forth in the applicable Option Plan and/or as provided in the respective option agreements immediately prior to the Effective Time (including, without limitation, any vesting schedule or repurchase rights), except as follows:

(1) each such Company Option will be exercisable for that number of whole shares of Parent Common Stock equal to (y) the number of shares of Company Common Stock that were issuable upon exercise of such Company Option immediately prior to the Effective Time multiplied by (z) the Option Exchange Ratio, rounded down to the nearest whole number of shares of Parent Common Stock, and;

(2) the per share exercise price for the shares of Parent Common Stock issuable upon exercise of such assumed Company Option will be equal to (y) the exercise price per share of Company Capital Stock at which such Company Option was exercisable immediately prior to the Effective Time divided by (z) the Option Exchange Ratio, rounded up to the nearest whole cent;

(d) Option Status. It is the intention of the parties hereto that Company Options assumed by Parent following the Closing pursuant to Section 1.6(c) will, to the extent permitted by applicable law, qualify as incentive stock options as defined in Section 422 of the Code, to the extent any such Company Options qualified as incentive stock options immediately prior to the Effective Time.

(e) Adjustments to Parent Common Stock. The number of shares of Parent Common Stock issuable upon the exercise of Company Options assumed by Parent pursuant to Section 1.6(c), and the exercise price of such assumed Company Options, shall be adjusted to reflect fully the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into Parent Common Stock or Company Capital Stock), reorganization, recapitalization or other like change with respect to Parent Common Stock or Company Capital Stock after the date hereof.

(f) Cancellation of Parent-Owned and Company-Owned Stock. At the Effective Time, by virtue of the Merger and without any action on the part of any of the parties hereto, each share of Company Capital Stock owned by Parent, Merger Sub, the Company or any direct or indirect wholly-owned subsidiary thereof, immediately prior to the Effective Time shall be cancelled and extinguished without any conversion thereof.

(g) Capital Stock of Merger Sub. At the Effective Time, by virtue of the Merger and without any action on the part of any of the parties hereto, each share of capital stock of the Merger Sub issued and outstanding immediately prior to the Effective Time will be canceled and extinguished. Each stock certificate of Merger Sub evidencing ownership of any shares of Merger Sub shall after the Effective Time evidence ownership of shares of capital stock of the Surviving Corporation.

1.7 Dissenting Shares for Holders of Company Capital Stock.

(a) Notwithstanding any provision of this Plan of Merger to the contrary, any shares of Company Capital Stock held by a holder who has demanded and perfected appraisal rights for such shares in accordance with Idaho Law and who, as of the Effective Time, has not effectively withdrawn or lost such appraisal rights ("Dissenting Shares"), shall not be converted into or represent a right to receive cash pursuant to Section 1.6, but the holder thereof shall only be entitled to such rights as are granted by Idaho Law.

(b) Notwithstanding the provisions of subsection (a), if any holder of shares of Company Capital Stock who demands appraisal of such shares under Idaho Law shall effectively withdraw or lose (through failure to perfect or otherwise) the right to appraisal, then, as of the later of the Effective Time and the occurrence of such event, such holder's shares shall automatically be converted into and represent only the right to receive cash as provided in Section 1.6 (and be subject to the provisions of Section 1.8(b) hereof), without interest thereon, upon surrender of the certificate representing such shares.

(c) The Company shall give Parent (i) prompt notice of any written demands for appraisal of any shares of Company Capital Stock, withdrawals of such demands, and any other instruments served pursuant to Idaho Law and received by the Company prior to the Closing and (ii) the opportunity to participate in all negotiations and proceedings with respect to demands for appraisal under Idaho Law. The Company shall not, except with the prior written consent of Parent, voluntarily make any payment with respect to any demands for appraisal of capital stock of the Company or offer to settle or settle any such demands.

1.8 Surrender of Certificates.

(a) Exchange Procedures. Prior to the Closing, Parent shall cause to be mailed to each Company Stockholder (i) a letter of transmittal (which shall be in such form and contain such provisions as Parent and the Company shall mutually agree and which shall specify that delivery shall be effected, and risk of loss and title to the certificates which immediately prior to the Effective Time represented outstanding shares of Company Capital Stock (the "Company Certificates") whose shares are converted into the right to receive Stockholder Cash Payments pursuant to Section 1.6(b), shall pass, only upon delivery of the Company Certificates to the Parent) and (ii) instructions for use in effecting the surrender of the Company Certificates in exchange for the Stockholder Cash Payment to which such Company Stockholder is entitled pursuant to Section 1.6(b). At the Closing, each Company Stockholder who has delivered to the Parent at least two (2) business days prior to the Closing Date Company Certificate(s) for cancellation and a letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, shall be entitled to receive, and Parent shall promptly deliver in exchange therefor, the Stockholder Cash Payment to be received (less any amount of cash to be deposited in the Escrow Fund (as defined in Section 2.1(b) hereof) on such holder's behalf pursuant to this Section 1.8(a) and ARTICLE II hereof), and the Company Certificate so surrendered shall forthwith be cancelled. As soon as practicable after the Effective Time, Parent shall deliver to the Escrow Agent (as defined in ARTICLE II) an amount equal to the Escrow Amount out of the cash otherwise payable pursuant to Section 1.6 and this Section 1.8(a). The portion of the Escrow Amount contributed on behalf of any Company Stockholder shall be equal to the quotient of (i) the cash such Company Stockholder would otherwise be entitled to receive in the Merger by virtue of ownership of outstanding shares of Company Capital Stock immediately prior to the Effective Time (the "Stockholder Cash

Payment"), divided by (ii) the sum of all Stockholder Cash Payments payable to all Company Stockholders at the Effective Time.

(b) Transfers of Ownership. If any portion of the Stockholder Cash Payment is to be paid to any person other than the person(s) in whose name(s) the Company Certificate surrendered in exchange therefor is registered, it will be a condition of such payment that the Company Certificate so surrendered will be properly endorsed and otherwise in proper form for transfer and that the person(s) requesting such exchange will have paid to Parent or any agent designated by it any transfer or other taxes required by reason of the payment of such Stockholder Cash Payment other than to the registered holder(s) of the Company Certificate surrendered.

(c) Lost, Stolen or Destroyed Certificates. If any Company Certificates evidencing shares of Company Capital Stock shall have been lost, stolen or destroyed, the Payment Agent shall pay the Stockholder Cash Payment in exchange for such lost, stolen or destroyed Company Certificates, upon the delivery by the holder thereof of an affidavit of that fact by the holder thereof containing customary indemnification provisions.

(d) No Liability. Notwithstanding anything to the contrary in this Section 1.8, neither Parent nor any party hereto shall be liable to a holder of shares of Company Capital Stock for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

(e) No Further Ownership Rights in Company Capital Stock. The Stockholder Cash Payment paid to the holders of Company Capital Stock in accordance with the terms hereof shall be deemed to be in full satisfaction of all rights pertaining to shares of Company Capital Stock outstanding prior to the Effective Time, and there shall be no further registration of transfers on the records of Parent of shares of Company Capital Stock that were outstanding prior to the Effective Time. If, after the Effective Time, Company Certificates are presented to Parent for any reason, they shall be canceled and paid as provided in this ARTICLE I.

(f) Taking of Necessary Action; Further Action. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Plan of Merger and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of the Company and Merger Sub, the officers and directors of the Company and Parent are fully authorized in the name of their respective corporations or otherwise to take, and will take, all such lawful and necessary action.

ARTICLE II

ESCROW

2.1 Escrow Arrangements.

(a) Indemnification. Subject to certain limitations and qualifications, the Company Stockholders shall jointly and severally indemnify and hold Parent and its officers, directors, employees, advisors, representatives and affiliates, including the Surviving Corporation after the Effective Time ("Parent Indemnified Parties") harmless against all claims, losses, liabilities, damages, deficiencies, diminutions in value, costs and expenses, including reasonable attorneys' fees and expenses of investigation and defense (hereinafter individually a

"Loss" and collectively "Losses") incurred by any Parent Indemnified Parties directly or indirectly as a result of (i) any inaccuracy or breach of a representation or warranty of the Company contained in this Plan of Merger or in any certificate delivered by the Company at the Closing pursuant to the terms of this Plan of Merger, (ii) any failure by the Company to perform or comply with any covenant contained herein, (iii) any Dissenting Shares (to the extent Parent is required to pay any amounts in respect of any Dissenters Shares which is in excess of the amount payable per share of Company Common Stock pursuant to Section 1.6 hereof); or (iv) any Excess Third Party Expenses. For purposes of this Plan of Merger, the term "Excess Third Party Expenses" means the extent to which the Company's Third Party Expenses exceed an aggregate of an agreed upon amount; provided that Excess Third Party Expenses shall be reduced to the extent Third Party Expenses have caused an adjustment to the Total Transaction Value pursuant to Section 1.6(a). In determining whether a breach of any representation, warranty or covenant has occurred, any materiality or knowledge standard contained in a representation, warranty or covenant shall be taken into account; provided however, that in determining the amount of any Losses attributable to a breach, any materiality or knowledge standard contained in a representation, warranty or covenant shall be disregarded.

(b) Escrow Fund. At the Effective Time, the Company Stockholders will be deemed to have received and deposited with the Escrow Agent (as defined below) the Escrow Amount without any act of any Company Stockholder. As soon as practicable after the Effective Time, without any act of any Company Stockholder, Parent will deposit the Escrow Amount with U.S. Bank Trust, N.A. (or other institution acceptable to Parent and the Securityholder Agent (as defined in Section 2.1(h) below)), as Escrow Agent, such deposit to constitute an escrow fund (the "Escrow Fund") to be governed by the terms set forth herein and at Parent's cost and expense. The Escrow Amount shall be available to compensate any Parent Indemnified Party for any claims by such party for any Losses suffered or incurred by it and for which it is entitled to recovery under this ARTICLE II. Parent and the Company each acknowledge that such Losses, if any, would relate to unresolved contingencies existing at the Effective Time, which if resolved at the Effective Time would have led to a reduction in the Total Transaction Value.

(c) Escrow Period; Distribution upon Termination of Escrow Period. Subject to the following requirements, the Escrow Fund shall be in existence immediately following the Effective Time and shall terminate at 5:00 p.m., Pacific Time, on the fifteenth (15th) day after the Expiration Date (the "Escrow Period"). Notwithstanding the foregoing, the Escrow Period shall not terminate with respect to such amount (or some portion thereof), that together with the aggregate amount remaining in the Escrow Fund is necessary in the reasonable judgment of Parent, subject to the objection of the Securityholder Agent and the subsequent arbitration of the matter in the manner provided in Section 2.1(g) hereof, to satisfy any timely made but unsatisfied claims concerning facts and circumstances existing prior to the termination of the Escrow Period specified in any Officer's Certificate delivered to the Escrow Agent prior to termination of such Escrow Period. As soon as all such claims have been resolved, the Escrow Agent shall deliver to the Company Stockholders the remaining portion of the Escrow Fund, together with all interest earned thereon, to the extent not required to satisfy such claims. Deliveries of the amounts out of the Escrow Fund to the Company Stockholders pursuant to this Section 2.1(c) shall be made in proportion to their respective original contributions to the Escrow Fund as determined pursuant to Section 1.8(b).

(d) Protection and Investment of Escrow Fund. The Escrow Agent shall hold and safeguard the Escrow Fund during the Escrow Period, shall treat such fund as a trust fund for the benefit of the Company Stockholders in accordance with the terms of this Plan of Merger and not as the property of Parent and shall hold and dispose of the Escrow Fund for the benefit

of the Company Stockholders only in accordance with the terms hereof. Except as Parent and the Securityholder Agent may from time to time jointly instruct the Escrow Agent in writing, the Escrow Fund shall be invested from time to time, to the extent possible, in United States Treasury Bills having a remaining maturity of 90 days or less and repurchase obligations secured by such United States Treasury Bills, with any remainder being deposited and maintained in a money market deposit account with the Escrow Agent, until disbursement of the entire Escrow Fund. The Escrow Agent is authorized to liquidate in accordance with its customary procedures any portion of the Escrow Fund consisting of investments to provide for payments required to be made under this Plan of Merger. It is agreed for federal income tax purposes that the parties hereto shall treat interest as the property of the Company Stockholders and the Escrow Agent shall report the interest for federal income tax purposes consistently with such treatment.

(e) Claims. If any Parent Indemnified Party suffers a Loss, Parent shall deliver to the Escrow Agent and the Securityholder Agent (or only the Securityholder Agent if certain set-off rights will be exercised), at any time on or before the last day of the Escrow Period or the date that a Milestone Bonus is to be paid, as applicable, a certificate signed by any officer of Parent (an "Officer's Certificate"): (A) stating that Parent has paid or properly accrued or reasonably anticipates that it will have to pay or accrue Losses, and (B) specifying in reasonable detail the individual items of Losses included in the amount so stated, the date each such item was paid or properly accrued, or the basis for such anticipated liability, and the nature of the misrepresentation, breach of warranty or covenant to which such item is related. If such Losses are to be paid, in whole or in part, from the Escrow Fund, the Escrow Agent shall, subject to the provisions of Sections 2.1(a), 2.1(b) and 2.1(f) hereof, deliver to Parent out of the Escrow Fund, as promptly as practicable an amount equal to such Losses. Each distribution of cash from the Escrow Fund for any such Losses shall be taken ratably from each Company Stockholder's portion of the cash held in the Escrow Fund.

(f) Objections to Claims. For a period of thirty (30) days after the delivery of an Officer's Certificate, the Escrow Agent shall make no delivery to Parent of any Escrow Amounts pursuant to Section 2.1(e) hereof and Parent shall not be obligated to make certain payments without certain authorization from the Securityholder Agent unless the Securityholder Agent shall have provided written authorization to make such delivery or to off-set Losses. After the expiration of such thirty (30)□day period, the Escrow Agent shall make delivery of cash from the Escrow Fund in accordance with Section 2.1(e) hereof and Parent shall off-set Losses against any required payment, provided that no such action may be taken if the Securityholder Agent shall object in a written statement to the claim made in the Officer's Certificate, and such statement shall have been delivered to the Escrow Agent and Parent prior to the expiration of such thirty (30)□day period.

(g) Resolution of Conflicts; Arbitration.

(i) In case the Securityholder Agent shall so object in writing to any claim or claims made in any Officer's Certificate, the Securityholder Agent and Parent shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims. If the Securityholder Agent and Parent should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties, and a copy shall be furnished to the Escrow Agent if such amount shall be satisfied from the Escrow Fund. The Escrow Agent shall be entitled to rely on any such memorandum and distribute cash from the Escrow Fund in accordance with the terms thereof.

(ii) If no such agreement can be reached after good faith negotiation, either Parent or the Securityholder Agent may demand arbitration of the matter unless the amount of the damage or loss is at issue in pending litigation with a third party, in which event arbitration shall not be commenced until such amount is ascertained or both parties agree to arbitration; and in either such event the matter shall be settled by arbitration conducted by three (3) arbitrators. Parent and the Securityholder Agent shall each select one arbitrator, and the two (2) arbitrators so selected shall select a third arbitrator. The arbitrators shall set a limited time period and establish procedures designed to reduce the cost and time for discovery while allowing the parties an opportunity, adequate in the sole judgment of the arbitrators, to discover relevant information from the opposing parties about the subject matter of the dispute. The arbitrators shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions, including attorneys' fees and costs, to the same extent as a court of law or equity, should the arbitrators determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification. The decision of a majority of the three (3) arbitrators as to the validity and amount of any claim in such Officer's Certificate shall be binding and conclusive upon the parties to this Plan of Merger, and notwithstanding anything in Section 2.1(f) hereof, Parent and the Escrow Agent shall be entitled to act in accordance with such decision and make or withhold payments out of the Escrow Fund in accordance therewith. Such decision shall be written and shall be supported by written findings of fact and conclusions which shall set forth the award, judgment, decree or order awarded by the arbitrators.

(iii) Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction. Any such arbitration shall be held in Santa Clara County, California under the rules then in effect of the American Arbitration Association.

(h) Securityholder Agent; Power of Attorney.

(i) If the Merger is approved by the stockholders of the Company, effective upon such vote, and without further act of any Company Stockholder, Lynn Watson shall be appointed as agent and attorney-in-fact (the "Securityholder Agent") for each Company Stockholder (except such stockholders, if any, as shall have perfected their appraisal or dissenters' rights under Idaho Law), for and on behalf of the Company Stockholders, to give and receive notices and communications, to authorize delivery to Parent of cash from the Escrow Fund in satisfaction of claims by Parent, to object to such deliveries, to agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, and to take all actions necessary or appropriate in the judgment of the Securityholder Agent for the accomplishment of the foregoing. Such agency may be changed by the Company Stockholders from time to time upon prior written notice to Parent; provided that the Securityholder Agent may not be removed unless holders of a two-thirds interest of the Escrow Fund agree to such removal and to the identity of the substituted agent. Any vacancy in the position of Securityholder Agent may be filled by approval of the holders of a majority in interest of the Escrow Fund. No bond shall be required of the Securityholder Agent, and the Securityholder Agent shall not receive compensation for his or her services. Notices or communications to or from the Securityholder Agent shall constitute notice to or from each of the Company Stockholders.

(ii) The Securityholder Agent shall not be liable to any Company Stockholder for any act done or omitted hereunder as Securityholder Agent while acting in good faith and in the exercise of reasonable judgment; and any act done or omitted pursuant to the advice of counsel that is concurred with by Parent's counsel shall be exclusively deemed to

have been done or omitted in good faith. The Company Stockholders on whose behalf the Escrow Amount was contributed to the Escrow Fund shall severally indemnify the Securityholder Agent and hold the Securityholder Agent harmless against any loss, liability or expense incurred without negligence or bad faith on the part of the Securityholder Agent and arising out of or in connection with the acceptance or administration of the Securityholder Agent's duties hereunder, including the reasonable fees and expenses of any legal counsel retained by the Securityholder Agent.

(i) Actions of the Securityholder Agent. A decision, act, consent or instruction of the Securityholder Agent shall constitute a decision of all the Company Stockholders for whom a portion of the Escrow Amount otherwise issuable to them is deposited in the Escrow Fund and shall be final, binding and conclusive upon each of such Company Stockholders, and the Escrow Agent and Parent may rely upon any such decision, act, consent or instruction of the Securityholder Agent as being the decision, act, consent or instruction of each of such Company Stockholders. The Escrow Agent and Parent are hereby relieved from any liability to any person for any acts done by them in accordance with such decision, act, consent or instruction of the Securityholder Agent.

(j) Third-Party Claims. If Parent receives notice of a third-party claim that Parent believes may result in a demand for monetary damages against the Escrow Fund, Parent shall promptly notify the Securityholder Agent in writing of such claim (but the failure to promptly notify the Securityholder Agent shall not relieve the indemnifying party of its obligations hereunder except to the extent (and only to such extent) that the Securityholder Agent is materially prejudiced by such failure to notify). The Securityholder Agent, as representative for the Company Stockholders, may, at his election and upon written notice to Parent, undertake control of the defense of such third-party claim with counsel of his choosing reasonably acceptable to Parent, in which case Parent may participate in such defense through its own counsel and at its own expense. Notwithstanding the foregoing, the Securityholder Agent may not undertake the defense of a third-party claim if (i) such claim involves Taxes, (ii) such claim demands injunctive or other equitable relief, (iii) Parent reasonably determines that the claim is likely to exceed the then remaining amounts in the Escrow Fund, (iv) the Securityholder Agent or any Stockholder is also a party to such third-party claim or (v) Parent reasonably determines that it would be inappropriate for a single counsel to represent all parties under applicable standards of legal ethics. If the Securityholder Agent declines to undertake the defense of such claim by delivering written notice to Parent within fifteen (15) days after written notice of such claim has been delivered to the Securityholder Agent or fails to diligently defend such claim at any time, Parent shall have the right to undertake the defense of such claim with counsel of its choosing and the fees and expenses of such counsel shall constitute Losses for purposes of this ARTICLE II. If the Securityholder Agent elects to undertake the defense of a third-party claim, the Securityholder Agent shall be entitled to recover its reasonable attorneys fees and expenses that relate to such third-party claim from the Escrow Fund immediately prior to the expiration of the Escrow Period out of amounts that would otherwise be distributed to the Company Stockholders pursuant to Section 2.1(c); provided, however, that any and all Losses incurred by Parent, its officers, directors or affiliates (including the Surviving Corporation) that are recoverable against the Escrow Fund and any amounts necessary to satisfy unresolved claims pursuant to this ARTICLE II shall be satisfied in full or reserved for before any attorneys fees and expenses of the Securityholder Agent may be paid from the Escrow Fund. If the Securityholder Agent elects to undertake the defense of a third-party claim, the Securityholder Agent shall advise Parent of material developments and otherwise keep Parent informed with respect to such third-party claim. If the Securityholder Agent has not undertaken the defense of a third-party claim, then upon the Securityholder Agent's request, Parent shall advise

Securityholder Agent of material developments and otherwise keep Securityholder informed with respect to such third-party claim; provided however that Parent shall not be required to provide any confidential or non-public information. If the Securityholder Agent elects to undertake the defense of a third-party claim, the Securityholder Agent may not settle such third-party claim without Parent's prior written consent, which consent shall not be unreasonably withheld. If the Securityholder Agent declines to undertake the defense of a third-party claim or fails to diligently defend such claim at any time, Parent shall have the right in its reasonable discretion to settle any such claim; provided, however, that except with the consent of the Securityholder Agent, no settlement of any such claim with third-party claimants shall be determinative of the amount, validity or existence of any claim against the Escrow Fund. If the Securityholder Agent has consented to any such settlement, the Securityholder Agent shall have no power or authority to object under any provision of this ARTICLE II to the amount of any claim by Parent against the Escrow Fund with respect to and in the amount of such settlement. Parent and the Securityholder Agent shall cooperate with each other in all reasonable respects in connection with the defense of any third-party claim, including making available records relating to such claim and furnishing employees of Parent or the Surviving Corporation as may be reasonably necessary for the preparation of the defense of any such third-party claim or for testimony as witness in any proceeding relating to such claim.

(k) Escrow Agent's Duties.

(i) The Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein, and as set forth in any additional written escrow instructions which the Escrow Agent may receive after the date of this Plan of Merger which are signed by an officer of Parent and the Securityholder Agent, and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall not be liable for any act done or omitted hereunder as Escrow Agent while acting in good faith and in the exercise of reasonable judgment, and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith.

(ii) The Escrow Agent is hereby expressly authorized to comply with and obey orders, judgments or decrees of any court of law, notwithstanding any notices, warnings or other communications from any party or any other person to the contrary. In case the Escrow Agent obeys or complies with any such order, judgment or decree of any court, the Escrow Agent shall not be liable to any of the parties hereto or to any other person by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

(iii) The Escrow Agent shall not be liable in any respect on account of the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver this Plan of Merger or any documents or papers deposited or called for hereunder.

(iv) The Escrow Agent shall not be liable for the expiration of any rights under any statute of limitations with respect to this Plan of Merger or any documents deposited with the Escrow Agent.

(v) In performing any duties under the Plan of Merger, the Escrow Agent shall not be liable to any party for damages, losses, or expenses, except for gross negligence or willful misconduct on the part of the Escrow Agent. The Escrow Agent shall not

incur any such liability for (A) any act or failure to act made or omitted in good faith, or (B) any action taken or omitted in reliance upon any instrument, including any written statement or affidavit provided for in this Plan of Merger that the Escrow Agent shall in good faith believe to be genuine, nor will the Escrow Agent be liable or responsible for forgeries, fraud, impersonations, or determining the scope of any representative authority. In addition, the Escrow Agent may consult with legal counsel in connection with Escrow Agent's duties under this Plan of Merger and shall be fully protected in any act taken, suffered, or permitted by it in good faith in accordance with the advice of counsel. The Escrow Agent is not responsible for determining and verifying the authority of any person acting or purporting to act on behalf of any party to this Plan of Merger.

(vi) If any controversy arises between the parties to this Plan of Merger, or with any other party, concerning the subject matter of this Plan of Merger, its terms or conditions, the Escrow Agent will not be required to determine the controversy or to take any action regarding it. The Escrow Agent may hold all documents and the amounts in the Escrow Fund and may wait for settlement of any such controversy by final appropriate legal proceedings or other means as, in the Escrow Agent's discretion, the Escrow Agent may be required, despite what may be set forth elsewhere in this Plan of Merger. In such event, the Escrow Agent will not be liable for damage. Furthermore, the Escrow Agent may at its option, file an action of interpleader requiring the parties to answer and litigate any claims and rights among themselves. The Escrow Agent is authorized to deposit with the clerk of the court all documents and the amounts in the Escrow Fund, except all costs, expenses, charges and reasonable attorney fees incurred by the Escrow Agent due to the interpleader action and which the parties jointly and severally agree to pay. Upon initiating such action, the Escrow Agent shall be fully released and discharged of and from all obligations and liability imposed by the terms of this Plan of Merger.

(vii) The parties and their respective successors and assigns agree jointly and severally to indemnify and hold Escrow Agent harmless against any and all losses, claims, damages, liabilities, and expenses, including reasonable costs of investigation, counsel fees, and disbursements that may be imposed on Escrow Agent or incurred by Escrow Agent in connection with the performance of its duties under this Plan of Merger, including but not limited to any litigation arising from this Plan of Merger or involving its subject matter; provided, however, that nothing contained in this clause (vii) shall affect the obligations of the parties as between themselves under Section 2.1(l).

(viii) The Escrow Agent may resign at any time upon giving at least thirty (30) days written notice to the parties; provided, however, that no such resignation shall become effective until the appointment of a successor escrow agent which shall be accomplished as follows: Parent and the Securityholder Agent shall use their best efforts to mutually agree on a successor escrow agent within thirty (30) days after receiving such notice. If the parties fail to agree upon a successor escrow agent within such time, the Escrow Agent shall have the right to appoint a successor escrow agent authorized to do business in the State of California. The successor escrow agent shall execute and deliver an instrument accepting such appointment and it shall, without further acts, be vested with all the estates, properties, rights, powers, and duties of the predecessor escrow agent as if originally named as Escrow Agent. The predecessor escrow agent shall thereupon be discharged from any further duties and liability under this Plan of Merger.

(l) Fees. All fees of the Escrow Agent for performance of its duties hereunder shall be paid by Parent. It is understood that the fees and usual charges agreed

upon for services of the Escrow Agent shall be considered compensation for ordinary services as contemplated by this Plan of Merger. If the conditions of this Plan of Merger are not promptly fulfilled, or if the Escrow Agent renders any service not provided for in this Plan of Merger, or if the parties request a substantial modification of its terms, or if any controversy arises, or if the Escrow Agent is made a party to, or intervenes in, any litigation pertaining to this escrow or its subject matter, the Escrow Agent shall be reasonably compensated for such extraordinary services and reimbursed for all costs, attorney's fees, and expenses occasioned by such default, delay, controversy or litigation. Parent promises to pay these sums upon demand.

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
IN-SYSTEM DESIGN, INC.

The undersigned, acting as incorporator under the Idaho Business Corporation Act, adopts the following Articles of Incorporation:

Article 1

NAME OF THE CORPORATION

The name of the corporation is In-System Design, Inc. ("Corporation").

Article 2

PURPOSES OF THE CORPORATION

The Corporation may do any acts and perform any business permitted by the Idaho Business Corporation Act.

Article 3

SHARES

The aggregate number of shares the Corporation is authorized to issue shall be one thousand (1,000), all of which shall be common voting stock, at no par value.

Article 4

VOTING

Each outstanding share entitled to vote shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of shareholders. Shareholders do not have the right to cumulate their votes for directors.

Article 5

REGISTERED OFFICE AND AGENT

The address of the registered office of the Corporation is 877 West Main Street, Suite 1000, Boise, Idaho 83702, and the name of its initial registered agent at such address is Nicholas G. Miller.

Article 6

LIMITATION OF LIABILITY

No director shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty except liability for: (i) the amount of a financial benefit received by a director to which he is not entitled; (ii) an intentional infliction of harm on the Corporation or the shareholders; (iii) a violation of § 30-1-833, Idaho Code; or (iv) an intentional violation of criminal law.

Article 7

INDEMNIFICATION

The Corporation shall indemnify the directors and officers of the Corporation to the fullest extent permitted by the Idaho Business Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than the Idaho Business Corporation Act permitted the Corporation to provide prior to such amendment).

Article 8

INCORPORATOR

The name and address of the incorporator is as follows:

NAME	ADDRESS
Nicholas G. Miller	877 W. Main Street, Suite 1000 Boise, Idaho 83702

Article 9

EXECUTION

For the purpose of forming this corporation under the laws of the State of Idaho, the undersigned has executed these Articles of Incorporation on September ____, 2001.

Article 10

EFFECTIVE DATE

The Articles of Incorporation shall be effective as of the time of filing these Articles of Incorporation.

END OF AMENDED AND RESTATED ARTICLES OF INCORPORATION

END OF PLAN OF MERGER

[Signature Pages to Follow]

IN WITNESS WHEREOF, Idaho Acquisition Corporation has caused these Articles of Merger to be executed by its duly authorized Secretary and Treasurer this 14th day of September, 2001.

IDAHO ACQUISITION CORPORATION

By: Emmanuel Hernandez
Its: Secretary and Treasurer

IN WITNESS WHEREOF, In-System Design, Inc. has caused these Articles of Merger to be executed by its duly authorized Chief Executive Officer this 14th day of September, 2001.

IN-SYSTEM DESIGN, INC.

By: Lynn Watson
Its: Chief Executive Officer