

96017

State of Idaho

Department of State

CERTIFICATE OF AMENDMENT OF

GUARDIAN NORTHWEST HOLDING COMPANY, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of GUARDIAN NORTHWEST HOLDING COMPANY, INC. 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 Amendment to the Articles of Incorporation and attach hereto a duplicate original of the Articles of Amendment.

November 27, 1992

Pete T. Cenarrusa
SECRETARY OF STATE
By *Lucy J. Clark*

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AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

Nov 27 3 30 PM '92
SECRETARY OF STATE

GUARDIAN NORTHWEST HOLDING COMPANY, INC.

We, the undersigned, Stephen W. Doucette and Charlene D. Moriarity, being the President and Secretary, respectively, of Guardian Northwest Holding Company, Inc. (the "Corporation"), a corporation organized under and subject to the provisions of the Idaho Business Corporation Act, do hereby certify that pursuant to actions duly taken by the board of directors and shareholders of the Corporation, at a meeting held on the 27th day of November, 1992, with 100,000 shares of Common Stock outstanding, all 100,000 of which voted for the amendments and none against, the following resolutions were adopted:

RESOLVED, That Article Fourth of the Articles of Incorporation of the Corporation is hereby amended in its entirety to read as follows:

1. The aggregate number of shares of all classes of capital stock which the Corporation shall have authority to issue is Twenty Million (20,000,000) shares, divided into two classes, of which Fifteen Million (15,000,000) shares shall be designated common stock, with par value of \$0.01 per shares ("Common Stock"), and of which Five Million (5,000,000) shares shall be designed Series A convertible preferred stock, with par value of \$1.00 per share, ("Series A Preferred Stock") (and referred to collectively, the "Capital Stock").

2. The preferences, privileges, special rights, qualifications, limitations and restrictions granted to or imposed upon each class or series of shares of Capital Stock shall be as follows:

(A) Voting Rights.

On all matters submitted to the stockholders, each holder of Common Stock shall have one vote for each shares of Common Stock standing in the name of such holder on the books of the Corporation, subject to the terms below and each holder of Series A Preferred Stock shall have one vote for each shares of Common Stock which such holder of Series A Preferred Stock would be entitled to receive upon the conversion of his or her Series A Preferred Stock pursuant to the provisions of Section 2(C)(4) hereof. In addition, each holder of Series A

Preferred Stock shall have the special voting rights which are described in Section 2(C)(3) hereafter. As set forth in Article X, no holder of any shares of Capital Stock shall have any cumulative voting rights.

In the event the book value of the Corporation's Capital Stock falls to less than \$.75 per share, on a fully diluted basis, based upon the most recent quarterly or annual financial statements delivered to the holders of Preferred Stock as required by Section 8.3 of that certain Stock Purchase Agreement, dated November 30, 1992, the voting rights of the Common Stock shall be suspended until such time as the book value, similarly determined, equals or exceeds \$.90 per share. This provision shall be inapplicable if there are no shares of Preferred Stock outstanding. The "fully diluted" calculation shall include the total number of shares of Common Stock outstanding plus the fully converted number of shares for all convertible capital, vested options, rights and warrants.

(B) Preemptive Rights.

The holders of the Preferred Stock shall have certain preemptive rights to subscribe for or acquire shares or rights to purchase shares of any kind, class or series of the Corporation. The holders of the Common Stock shall not have preemptive rights. In the event the Corporation proposes to issue shares or rights to purchase shares of any kind, class or series of the Corporation, other than shares issued pursuant to employee benefit plans approved by the Board of Directors, shares issued in connection with a merger or acquisition of another entity and shares issued in connection with an underwritten public offering, (the "New Securities"), the Corporation shall give written notice (the "First Corporation Notice") to each holder of Preferred Stock of such proposal, describing the type of New Securities, the price and the general terms upon which the Corporation proposes to issue the same. The First Corporation Notice shall be delivered in person, by telecopy or fax (with receipt confirmed), or by overnight or same-day courier or messenger service. Each such shareholder shall have five days from the date of the First Corporation Notice to indicate his or her intention to purchase such New Securities, by giving written notice to the Corporation (the "First Shareholder Notice") and stating therein the number of New Securities he or she desires to purchase, which number shall not be greater than his or her pro rata share. For purposes of the preceding sentence, "pro rata share" shall mean the number of New Securities proposed to be issued, multiplied by a fraction, the numerator of which shall be the number of shares of Series A Preferred Stock held by such shareholder and the denominator of which shall be the number of the Corporation's shares of Capital Stock outstanding.

In the event the Corporation receives First Shareholder Notices for less than all of the New Securities proposed to be issued, the Corporation shall provide to each Preferred Stock shareholder who submitted a First Shareholder Notice, a second written notice (the "Second Corporation Notice"), in the same manner as prescribed for the First Corporation Notice, indicating the number of New Securities not covered by First Shareholder Notices. Each shareholder who receives the Second Corporation Notice shall have five days to give written notice to the Corporation (the "Second Shareholder Notice") of his or her intent to purchase an additional number of New Securities. A shareholder may specify in his or her Second Shareholder Notice any number of New Securities, up to the total number not covered by First Shareholder Notices, but in the event that such shareholders, in the aggregate, indicate an intention to purchase more than the number available, each shareholder who gives a Second Shareholder Notice shall be entitled to purchase an additional number of New Securities equal to the number of New Securities not covered by First Shareholder Notices times a fraction, the numerator of which shall be the number of shares of Preferred Stock held by such shareholder and the denominator of which shall be the number of shares of Capital Stock held by all shareholders who give a Second Shareholder Notice.

In the event that preemptive rights are not exercised with respect to all of the New Securities specified in the First Corporation Notice, the Corporation shall have 150 days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within 150 days from the date of said agreement) to sell the New Securities with respect to which such preemptive rights were not exercised, at a price and upon general terms no more favorable to the purchasers thereof than specified in the First Corporation Notice. In the event the New Securities are not sold within said 150-day period or the Corporation does not enter into an agreement to sell the New Securities within such 150-day period (or sold and issued New Securities in accordance with the foregoing within 150 days from the date of said agreement), the Corporation shall not thereafter issue or sell any New Securities without first offering such securities to the shareholders in the manner provided herein.

In the event of any underwritten public offering of any shares of Capital Stock, the preemptive rights provided by this Section 2(B) shall terminate upon the closing of such offering.

(C) Preferred Stock.

(1) Dividends. The holders of record of Series A Preferred Stock shall be entitled to receive cash dividends at the annual rate of 10% per share of Series A Preferred Stock, based upon the \$1.00 par value per share of such Preferred

Stock, when and as declared, and if so declared, such dividends shall be paid within 30 days of such declaration, provided that no dividend shall be declared and paid until completion of the calendar year ended December 31, 1997. Dividends shall not accumulate unless declared and not paid. No interest shall accrue on such cumulative dividends. Dividends shall be made payable on the Capital Stock out of funds legally available for the declaration of dividends. No dividends shall be declared or paid with respect to any shares of Common Stock unless all cumulative dividends are paid on the Series A Preferred Stock and an additional equivalent per share dividend is paid on the Series A Preferred Stock, and such dividend is approved by the holders of 75% in interest of the Series A Preferred Stock. The Series A Preferred Stock shall be counted on an as-if-converted basis in determining whether dividends on Series A Preferred Stock and Common Stock are equivalent. After December 31, 1997, dividends on the Series A Preferred Stock shall be paid within thirty (30) days of the election by a vote of the holders of more than 50% in interest of the Series A Preferred Stock to pay such dividends, provided that the Board of Directors may elect to pay the cash dividends in additional shares of Preferred Stock at a stated value equal to the greater of the book value per share, on a fully diluted basis, of the Series A Preferred Stock, or the most recent sale price received in an arm's length transaction for such Series A Preferred Stock if such sale has occurred within twelve months of the dividend declaration date. The Board may also elect to pay any such dividends quarterly.

(2) Liquidation Right and Preference. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of the sale of all or substantially all of its assets to another person, or in the event of a consolidation or merger of the Corporation with or into another corporation in which the Corporation is not the surviving corporation, the holders of Series A Preferred Stock shall be entitled to receive in cash, out of the assets of the Corporation, an amount equal to (x) the \$1.00 par value per share for each outstanding share of Series A Preferred Stock plus (y) an amount calculated to provide the holders of the Series A Preferred Stock an annual thirty percent (30%) compounded rate of return on the \$1.00 par value per share (the "Liquidation Preference") before any payment shall be made or any assets distributed to the holders of Common Stock or any other class of Capital Stock of the Corporation ranking junior to the Series A Preferred Stock. However, the liquidation price shall be reduced as necessary to credit against the 30% preferred rate of return cash dividends actually paid with respect to such share of Series A Preferred Stock, taking into account both the amounts and the times of payment of all such cash dividends. Both the amounts specified in (x) and (y) above shall be equitably adjusted as necessary in case the Corporation shall at any time have subdivided or split its outstanding

Series A Preferred Stock or combined such shares into a smaller number. Any shares received as a stock dividend in lieu of cash pursuant to Section 2(c)(1) shall be treated as if the stated value, as determined in Section 2(C)(1), were paid in cash, provided that such dividend stock shall thereafter be subject to the annual 30% compounded rate of return requirement set forth above.

For purposes of calculating the annual 30% compounded rate of return, any amounts paid to the Corporation upon issuance of Series A Preferred Stock shall be deemed to have been paid on the first day of each calendar quarter and any cash dividends received by the holders of Series A Preferred Stock shall be deemed to have been received on the last day of each calendar quarter. Stock dividends shall be deemed to have been paid for on the first day of the calendar quarter next succeeding the actual date of receipt, (for purposes of the annual 30% calculation) and shall be deemed received as equivalent to cash on the last day of the calendar quarter of actual receipt. A similar calculation shall be utilized if a cash dividend upon the Common Stock is paid to the holders of Series A Preferred Stock. Compounding shall be done quarterly and all calculations shall be rounded to two decimal points.

If, upon any liquidation, dissolution or winding up of the Corporation or the sale by the Corporation of all or substantially all of its assets or such consolidation or merger, the assets of the Corporation are insufficient to pay the Liquidation Preference to the holders of Series A Preferred Stock, the holders of such Series A Preferred Stock shall share pro rata in any such distribution in proportion to the full amounts to which they would otherwise be respectively entitled. Following such payment to the holders of Series A Preferred Stock upon such liquidation, dissolution, sale, reorganization, consolidation or merger, subject to the rights of any class of Capital Stock ranking junior to Series A Preferred Stock and senior to the Common Stock which may then be authorized and outstanding, the holders of Common Stock shall be paid an amount equal to the purchase price paid by each such holder, in cash, and if the assets of the Corporation are insufficient to pay this amount in full, the holders of such Common Stock shall share pro rata in such distribution in proportion to the full amounts to which they would otherwise be respectively entitled. Thereafter, the holders of the Capital Stock, including the holders of the Series A Preferred Stock, shall be entitled to share ratably in all the assets of the Corporation thereafter remaining. For purposes of this distribution of assets to the holders of the Capital Stock in general, the Series A Preferred Stock shall be counted on an as-if-converted basis.

(3) Special Voting Rights.

(a) The Corporation shall not take any of the following actions or permit any of the following events to occur without receiving the written consent of the holders of at least 75% in interest of the then outstanding shares of Series A Preferred Stock:

(i) Redeem any shares of the Capital Stock, except redemption or repurchase of Series A Preferred Stock as contemplated by Section 2(C)(5) hereof;

(ii) Declare or pay cash dividends on Capital Stock;

(iii) Sell or issue any shares of Common Stock for which consideration is other than cash;

(iv) Make any loans, execute any corporate guarantees, or invest in any subsidiary or other company which is owned less than 100% by the Corporation;

(v) Create or grant any security interests in the Corporation's assets other than to secure the borrowings from the holders of Series A Preferred Stock;

(vi) Acquire all or substantially all of the assets or capital stock of any other company;

(vii) Enter into any related party transaction with an officer, director, or 5% shareholder of the Company, except on an arm's length basis as defined by the Board of Directors;

(viii) Add shares of Common Stock to the existing pool of 1,250,000 shares available for grant to employees and consultants of the Corporation and to directors of the Corporation who do not own or who are not employees of companies which own Series A Preferred Stock (the "Reserved Employee Shares");

(ix) Grant Reserved Employee Shares to a person or entity who owns or would own more than 50,000 shares of Common Stock;

(x) Acquire, be acquired by, or merge with any other corporation or entity if, following such merger or acquisition, the holders of the issued and outstanding shares of Capital Stock as of the date of such transaction will own less than 80% of the voting equity of the combined entity;

(xi) Amend the Corporation's Articles of Incorporation or Bylaws, if such amendment alters or changes the rights, preferences or privileges of the holders of the Series A Preferred Stock materially or adversely; increases the authorized number of shares of Series A Preferred Stock; creates any new class of shares having preference over or being on a parity with the holders of the Series A Preferred Stock; or increases the number of members of the Board of Directors; or

(xii) Sell, lease, license or otherwise dispose of all or substantially all of the Corporation's assets.

In the event of any underwritten public offering of any shares of Capital Stock, or less than 600,000 shares of Series A Preferred Stock remain outstanding (subject to an equitable adjustment in the event of a stock split or subdivision of the Series A Preferred Stock or a combination of such shares into a smaller number), the Special Voting Rights in this Section 2(C)(3)(a) shall terminate.

(b) The holders of the Common Stock, voting as a separate class, shall be entitled to designate and elect two (2) members of the Corporation's Board of Directors. The holders of the Series A Preferred Stock, voting as a separate class, shall be entitled to designate and elect four (4) members of the Corporation's Board of Directors.

(c) At any annual or special meeting of stockholders held for the purpose of electing directors when the holders of Series A Preferred Stock and/or the holders of Common Stock shall be entitled, as a class, to elect members of the Board of Directors, the presence in person or by proxy of the holders of a majority of the outstanding Series A Preferred Stock shall be required to constitute a quorum for the election by such class of such directors, and the presence in person or by proxy of the holders of a majority of the outstanding Common Stock shall be required to constitute a quorum for the election by such class of its directors. No delay or failure by the holders of either of such classes of Capital Stock to elect the members of the Board of Directors whom such holders are entitled to elect shall invalidate the election of the remaining members of the Board of Directors by the holders of the other such class of Capital Stock.

(d) If, during any interval between annual meetings of stockholders for the election of directors and while the holders of Series A Preferred Stock or Common Stock shall be entitled, as a class, to elect members of the Board of Directors, the number of directors in office who have been elected by the holders of Series A Preferred Stock or Common Stock, as the case may be, 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, the vacancy or vacancies in the directors elected by the holders of Series A Preferred Stock shall be filled by a majority vote of the remaining directors then in office who were elected by the holders of Series A Preferred Stock, by vote at a meeting or as otherwise permitted by applicable law; and the vacancy or vacancies in the directors elected by the holders of Common Stock shall be filled by a majority vote of the remaining directors then in office who were elected by holders of Common Stock, by vote at a meeting or as otherwise permitted by applicable law.

(4) Conversion Rights.

(a) Conversion Rights of Series A Preferred Stock.

(i) Optional Conversion. Each Series A Preferred Stock shall be convertible at the option of the holder thereof into Common Stock of the Corporation in accordance with the provisions and subject to the adjustments provided for in Section 2(C)(4)(a)(iii) hereof, although each share of Series A Preferred Stock called for redemption by the Corporation shall cease to be convertible on and after the redemption date if provision shall have been made for its payment. In order to exercise the conversion privilege, a holder of Series A Preferred Stock shall surrender the certificate to the Corporation at its principal office, duly endorsed to the Corporation and accompanied by written notice to the Corporation that the holder elects to convert a specified portion or all of such shares. Series A Preferred Stock converted at the option of the holder shall be deemed to have been converted on the day of surrender of the certificate representing such shares for conversion in accordance with the foregoing provisions, and at such time the rights of the holder of such Series A Preferred Stock, as such holder, shall cease and such holder shall

be treated for all purposes as the record holder of Common Stock issuable upon conversion. As promptly as practicable on or after the conversion date, and subject to Section 2(C)(4)(a)(iii)[d] below, the Corporation shall issue and mail or deliver to such holder a certificate or certificates for the number of shares of Common Stock issuable upon conversion, computed to the nearest one hundredth of a full share, and a certificate or certificates for the balance of Series A Preferred Stock surrendered, if any, not so converted into Common Stock.

(ii) Automatic Conversion. Series A Preferred Stock shall be automatically converted into Common Stock upon the election of the Corporation and delivery of written notice of such election to the holders of Series A Preferred Stock (which election and notice may be delivered within ninety (90) days before or after the automatic conversion events described below without affecting the effective time of such automatic conversion) if the Corporation closes the issuance and sale of Common Stock in an underwritten public offering, pursuant to an effective registration statement under the Securities Act of 1933, as amended, in which (A) the gross proceeds received by the Corporation equal or exceed \$10,000,000 and (B) the public offering price equals or exceeds \$3.00 per share (as adjusted from time to time to reflect stock splits, share dividends or other corporate recapitalizations). The effective date of such automatic conversion shall be the date upon which the registration statement filed by the Corporation with the Securities and Exchange Commission is declared to be effective.

(iii) Conversion Price and Adjustments. One share of Common Stock shall initially be issuable in exchange for each share of Series A Preferred Stock upon either optional or automatic conversion. Thus, the conversion ratio ("Conversion Ratio") shall be 1 for 1, but shall be subject to adjustment from time to time as hereinafter provided:

[a] In case the Corporation shall at any time subdivide or split its outstanding Common Stock into a greater number of shares or declare any dividend payable in Common Stock, the Conversion Ratio in effect immediately prior to such subdivision, split or dividend shall be proportionately adjusted, and conversely, in case the outstanding Common Stock of the Corporation shall be combined into a smaller number of shares, the Conversion Ratio in effect immediately prior to such combination shall also be proportionately adjusted.

[b] Except for issuances of shares from the pool of Reserved Employee Shares and dividends payable in Common Stock, if and whenever the Corporation shall issue or sell any shares of Common Stock for a consideration per share less than the purchase price per share paid to the Corporation upon issuance of the Series A Preferred Stock, recognizing that a price greater than \$1.00 per share may be paid for shares of Series A Preferred Stock issued pursuant to certain warrants after November 30, 1992 (the "Conversion Price") and there may be two or more Conversion Prices applicable to different blocks of Series A Preferred Stock or such other Conversion Price then in effect for such Series A Preferred Stock or shall issue any options, warrants or other rights for the purchase of such shares at a consideration per share of less than the Conversion Price then in effect for Series A Preferred Stock then, upon such issuance or sale of such shares, options, warrants or other purchase rights, the Conversion Price in effect immediately prior to such issuance or sale for such Series A Preferred Stock shall be reduced to the price at which such shares of Common Stock were sold or at which shares of Common Stock are issuable upon the exercise of such options, warrants or other purchase rights, and the original Conversion Price divided by the new Conversion Price shall be used to adjust the Conversion Ratio for the number of shares of Common Stock issuable upon conversion of each share of Series A Preferred Stock. If any options or purchase rights that are taken into account in any such adjustment of the Conversion Price for Series A Preferred Stock subsequently expire without exercise, the

Conversion Price for the Series A Preferred Stock shall be recomputed at the time of expiration by deleting such options or purchase rights.

[c] No fractional Common Stock or scrip representing fractional shares of Common Stock shall be issued upon the conversion of Series A Preferred Stock. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of Series A Preferred Stock, the Corporation shall pay to the holder of the Series A Preferred Stock that were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the date of conversion.

[d] In the event some but not all of the Series A Preferred Stock represented by a certificate or certificates surrendered by a holder are converted or redeemed, the Corporation shall execute and deliver to or on the order of the holder, at the expense of the Corporation, a new certificate representing the number of shares of Series A Preferred Stock which were not converted or redeemed.

(iv) Notice of Conversion Price Adjustment. Upon any adjustment of the Conversion Price, then and in each such case the Corporation shall give written notice thereof, by first-class mail, postage prepaid, addressed to the registered holders of Series A Preferred Stock at the addresses of such holders as shown on the books of the Corporation, which notice shall state the Conversion Price resulting from such adjustment and the increase or decrease, if any, in the number of shares receivable at such price upon the conversion of Series A Preferred Stock, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(v) Rights to Preconversion Dividends and Other Distributions. In the event of conversion, the holders of Series A Preferred Stock shall have the following rights to cumulative dividends accrued with respect to the Series A Preferred Stock, other dividends declared with respect to the Common Stock, and certain properties received by the holders of Common Stock:

[a] Upon conversion, all accrued and cumulative unpaid dividends, whether declared or undeclared, with respect to the converted Series A Preferred Stock to which the holders of the Series A Preferred Stock were entitled under Section 2(C)(1) shall (i) continue following conversion, or, (ii) subject to the election of the holder, may be converted into additional shares of Common Stock at the then existing Conversion Price.

[b] In case prior to conversion the Corporation shall declare a dividend or distribution upon the Common Stock payable other than in cash out of earnings or surplus or other than in Common Stock which has not yet been paid to the holders of the Common Stock and the equivalent amount to the holders of the Preferred Stock as required by Section 2(C)(1), then thereafter each holder of shares of Series A Preferred Stock upon the conversion thereof will be entitled to receive the number of shares of Common Stock into which such Series A Preferred Stock shall respectively be converted, and, in addition and without payment therefor, the property which such holder would have received as a dividend as a holder of the Preferred Stock.

[c] Subject to the provisions of Section 2(C)(2) regarding liquidation rights, if any capital reorganization or reclassification of the Capital Stock of the Corporation, or consolidation or merger of the Corporation with another corporation, or the sale of all or substantially all of its assets to another corporation shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such reorganization, reclassification, consolidation, merger or sale, lawful and adequate provision shall be made whereby the holders of Series A Preferred Stock shall thereafter have the right to receive, in lieu of the shares of Common Stock of the Corporation immediately theretofore receivable upon the conversion of such Series A Preferred Stock, such shares of stock, securities or assets as may be issued or payable with respect

to or in exchange for a number of shares of outstanding Common Stock equal to the number of shares of Common Stock immediately theretofore receivable upon the conversion or such Series A Preferred Stock had such reorganization, reclassification, consolidation, merger or sale not taken place, and in any such case appropriate provision shall be made with respect to the rights and interests of the holders of the Series A Preferred Stock to the end that the provisions hereof (including without limitation provisions for adjustments of the Conversion Price and of the number of shares receivable upon the conversion of such Series A Preferred Stock) shall thereafter be applicable as nearly as may be, in relation to any shares of stock, securities or assets thereafter receivable upon the conversion of such Series A Preferred Stock. The Corporation shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof the surviving corporation (if other than the Corporation), the corporation resulting from such consolidation or the corporation purchasing such assets shall assume by written instrument executed and mailed to the registered holders of the Series A Preferred Stock at the last address of such holder appearing on the books of the Corporation, the obligation to deliver to such holders such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holders may be entitled to receive.

(vi) Notice of Certain Events. In case any time:

[a] the Corporation shall pay any dividend payable in stock upon Common Stock or make any distribution (other than regular cash dividends) to the holders of Common Stock; or

[b] the Corporation shall offer for subscription pro rata to the holders of Common Stock any additional shares of stock of any class or other rights; or

[c] there shall be any capital reorganization, reclassification of the Capital Stock of the Corporation, or consolidation or merger of the Corporation with, or sale of all

or substantially all of its assets, to another corporation; provided, however, that this provision shall not be applicable to the merger or consolidation of the Corporation with or into another corporation if, following such merger or consolidation the Stockholders of the Corporation immediately prior to such merger or consolidation own at least 80% of the equity of the combined entity; or

[d] there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in any one or more of said cases, the Corporation shall give written notice, by first-class mail, postage prepaid, addressed to the holders of Series A Preferred Stock at the addresses of such holders as shown on the books of the Corporation, of the date on which (aa) the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights, or (bb) such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up shall take place, as the case may be. Such notice shall also specify the date as of which the holders of Common Stock of record shall participate in such dividend, distribution or subscription rights, or shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up, as the case may be. Such written notice shall be given at least 20 days prior to the action in question and not less than 20 days prior to the record date or the date on which the Corporation's transfer books are closed in respect thereto.

(vii) Reservation of Shares of Common Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Stock the full number of shares of such Common Stock into which all shares of Series A Preferred Stock from time to time outstanding are convertible.

(b) Series A Preferred Stock Splits. In the event the Corporation shall at any time subdivide or split its outstanding Preferred Stock into a greater number of

shares, the Conversion Price in effect immediately prior to such subdivision or split shall be proportionately decreased, and conversely, in the event the outstanding Preferred Stock shall be combined into a smaller number of shares, the Conversion Price in effect immediately prior to such conversion shall be proportionately increased.

(5) Redemption Rights.

(a) Mandatory Redemption. On or after December 31, 1999, and for each calendar year thereafter, the Corporation shall offer to redeem any and all outstanding shares of Series A Preferred Stock at a redemption price equal to (x) the \$1.00 par value per share plus (y) an amount per share calculated to provide the holder thereof an annual thirty percent (30%) compounded rate of return on the \$1.00 par value per share; provided, however that the redemption price shall be reduced as necessary to credit against the 30% preferred rate of return cash dividends actually paid with respect to such share of Series A Preferred Stock, taking into account both the amounts and the times of payment of all such dividends. Both the amounts specified in (x) and (y) in the previous sentence shall be equitably adjusted as necessary in case the Corporation shall at any time have subdivided or split its outstanding Series A Preferred Stock or combined such shares into a smaller number. Any shares received as a stock dividend shall be treated as if the stated value as determined in Section 2(C)(1) were paid in cash. The redemption price and calculation thereof according to the foregoing formula shall be identical to the Liquidation Preference set forth in Section 2(C)(2).

Each holder of Series A Preferred Stock at his/her sole discretion may accept or reject this redemption offer. Any rejection shall not affect the Corporation's obligation to offer to redeem such Preferred Stock in successive years.

The redemption offers shall be made in writing to the holders of record of Series A Preferred Stock and shall provide at least thirty (30) days to accept or reject such redemption offer. The redemption offer shall contain a calculation of the redemption price. Any holder of Series A Preferred Stock may, but shall not be obligated to, accept any such redemption offer by delivering written notice of acceptance to the Corporation on or before the designated redemption date, which notice of acceptance shall specify the number of shares of Series A Preferred Stock for which the redemption offer is being accepted. On or after the date

fixed for redemption, each holder of Series A Preferred Stock who has accepted such redemption offer shall surrender the certificate or certificates evidencing the shares to be redeemed to the Corporation at the place designated in such notice and shall thereupon be entitled to receive payment from the Corporation for such shares. If less than all of the shares represented by any such surrendered certificate or certificates are redeemed, the Corporation shall issue a new certificate for the unredeemed shares. During the 30 day period, the holder of Series A Preferred Stock shall have the right to convert the Series A Preferred Stock into Common Stock.

(b) Redemption Upon Demand in Event of Default.

Upon the occurrence of an Event of Default, as defined in the Stock Purchase Agreement by and among the Corporation and the holders of the Preferred Stock, dated November 30, 1992, and while such default still exists the holders of the shares of Preferred Stock, all shares of Common Stock issued upon conversion of the Preferred Stock, and any capital stock issued with respect to or in exchange for any of the foregoing securities in any corporate recapitalization or restructuring shall have the right, upon written demand by 75% in interest of the holders of such securities, to an immediate redemption of all such securities at Redemption Price set forth in (a) above with respect to the Preferred Stock, or the Conversion Price paid with respect to other capital stock.

(c) Inability to Redeem. In the event the Corporation shall be unable, by reason of any applicable statute, regulation, rule, order, judgment or decree, to fulfill its obligations to redeem shares of Capital Stock hereunder, such redemption shall occur as soon as legally possible, and the Corporation shall use its best efforts to remove any such legal impediment. In the event the Corporation shall at any time be able to redeem part but not all of the shares of Capital Stock properly tendered for redemption, the Corporation shall redeem as many shares as are possible, *pro rata*, among the total number of shares tendered by each tendering holder. Thereafter, shares tendered but not redeemed by virtue of the above limitation shall be fully redeemed before the Corporation shall redeem any shares tendered under subsection (a) above in a subsequent year.

(d) Subordination. The Corporation's obligation to redeem shares of Preferred Stock shall be subordinated to the claims of trade creditors and prior lenders to the Corporation in the ordinary course of its business.


(e) Partial Redemption. In the event of any partial redemption of shares of Series A Preferred Stock, whether pursuant to this Section 2(C)(5) or otherwise, it shall be assumed that the shares of Preferred Stock redeemed would be in order of date of purchase by the holder, beginning with the first such shares purchased.

FURTHER RESOLVED, That Article Fifth of the Articles of Incorporation of the Corporation is hereby amended in its entirety to read as follows:

Provisions denying preemptive rights are as set forth in Article Fourth, Section 2(B).

FURTHER RESOLVED, That the President and Secretary of the Corporation be and they are hereby authorized and directed to make, execute and acknowledge a Certificate of the Corporation embracing the amendments to the Articles of Incorporation and to cause such Certificate to be filed for record with the Secretary of State of the State of Idaho in the manner required by law, to be made effective upon the date as set forth herein:

IN WITNESS WHEREOF, we have hereunto set our hands this 27th day of November, 1992.

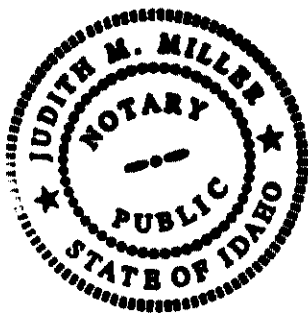

Stephen W. Doucette, President


Charlene D. Moriarity, Secretary

VERIFICATION

STATE OF IDAHO)
) ss
COUNTY OF ADA)

I, Judith M. Miller, a notary public, do hereby
certify that on this 27th day of November, 1992,
personally appeared before me STEPHEN W. DOUCETTE who, being by
me first duly sworn, declared that he is the President
of GUARDIAN NORTHWEST HOLDING CO., INC., that he
signed the foregoing document as President of the
corporation, and that the statements therein contained are true.



Judith M. Miller

Residing at: Boise

My commission expires: Sept. 24, 1996