

09-25-2000



101469346

HEET

9-1100

R

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID # _____
- Correction of PTO Error
Reel # _____ Frame # _____
- Corrective Document
Reel # _____ Frame # _____

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Effective Date
Month Day Year
- Change of Name August 7, 2000
- Other _____

Conveying Party

____ Mark if additional names of conveying parties attached

Name Cascentral.com, Inc.

Execution Date
Month Day Year
August 7, 2000

Formerly _____

- Individual General Partnership Limited Partnership
- Corporation Association Other
- Citizenship/State of Incorporation/Organization California

75684733

Receiving Party

____ Mark if additional names of receiving parties attached

Name Cascentral, Inc.

DBA/KA/TA _____

Composed of _____

Address (line 1) 1129 20th Street, N.W.

Address (line 2) Suite 303

Address (line 3) Washington, D.C. 20036

- Individual General Partnership Limited Partnership If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)
- Corporation Association
- Other _____
- Citizenship/State of Incorporation/Organization California

09/25/2000 JJ/ALL/HR 00000291 75684733

FOR OFFICE USE ONLY

01 FC:481
02 FC:482

40.00 OP
25.00 OP

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 200231

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name _____

Address (line 1) _____

Address (line 2) _____

Address (line 3) _____

Address (line 4) _____

Correspondent Name and Address

Area Code and Telephone Number (202) 467-7886

Name Lisa Dame Herbst, Esq.

Address (line 1) MORGAN, LEWIS & BOCKIUS LLP

Address (line 2) 1800 M Street, NW; Attn: TMSU

Address (line 3) Washington, D.C. 20036

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

15

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers are attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

75/684,733 75/684,734

Number of Properties Enter the total number of properties involved.

2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$ 65.00

Method of Payment: Enclosed Deposit Account _____

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number: 13-4520

Authorization to charge additional fees: Yes No _____

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Lisa Dame Herbst

Name of Person Signing



Signature

09/08/2000

Date Signed



SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 14 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

AUG 14 2000



Bill Jones

Secretary of State

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
CASECENTRAL.COM, INC.**

AUG - 8 2000

BILL JONES, Secretary of State

The undersigned, Christopher S. Kruse and Peter H. Kruse hereby certify that:

ONE: They are the duly elected and acting Chief Executive Officer and Secretary, respectively, of Casecentral.com, Inc., a California corporation (the "Corporation").

TWO: The Articles of Incorporation of the Corporation are hereby amended and restated to read as follows:

I.

The name of this corporation is **Casecentral, Inc.** (the "Corporation").

II.

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III.

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 61,000,000 shares, 45,000,000 shares of which shall be Common Stock (the "Common Stock") and 16,000,000 shares of which shall be Preferred Stock (the "Preferred Stock"). The Preferred Stock shall have a par value of \$0.001 per share and the Common Stock shall have a par value of \$0.001 per share.

B. The Preferred Stock shall be divided into series. The first series shall consist of 6,000,000 shares and is hereby designated "Series A Preferred Stock" (the "Series A Preferred"). The second series shall consist of 10,000,000 shares and is hereby designated "Series B Preferred Stock" (the "Series B Preferred").

C. The rights, preferences, privileges, restrictions and other matters relating to the Preferred Stock are as follows:

1. Dividend Rights.

(a) Holders of Series A Preferred and Series B Preferred shall be entitled to receive, when and as declared by the Board of Directors, but only out of any funds legally available therefor, prior and in preference to any declaration or payment of any dividend on the Common Stock (other than dividends payable in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock), at the rate of eight percent (8%) of the applicable Original Issue Price (as defined below) per annum on each outstanding share of Series A Preferred and Series B Preferred (as adjusted for any stock **dividends,**

combinations, splits recapitalizations and the like with respect to such shares), payable only when, as and if declared by the Board of Directors. The "Original Issue Price" shall be \$1.00 for each share of Series A Preferred and \$1.15 for each share of Series B Preferred. Such dividends shall not be cumulative.

(b) After any dividend distributions described in Section 1(a) above have been paid in full, the holders of shares of Common Stock shall be entitled to receive dividends, out of any assets legally available therefor, when, as, if and in an amount as declared by the Board of Directors, but in no event at a rate greater than the rate paid on shares of Series A Preferred or Series B Preferred assuming for such purposes that all shares of Series A Preferred and Series B Preferred had been converted into shares of Common Stock.

2. Voting Rights.

(a) General Rights. Except as otherwise provided herein or as required by law, the Series A Preferred and Series B Preferred shall be voted equally with the shares of the Common Stock of the Corporation and not as a separate class, at any annual or special meeting of shareholders of the Corporation, and may act by written consent in the same manner as the Common Stock, in either case upon the following basis: each holder of shares of Series A Preferred and Series B Preferred shall be entitled to such number of votes as shall be equal to the nearest whole number of shares of Common Stock into which such holder's aggregate number of shares of Series A Preferred and Series B Preferred are convertible (pursuant to Section 4 hereof) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent.

(b) Separate Vote of Preferred Stock. For so long as at least 500,000 shares of Preferred Stock remain outstanding (subject to adjustment for any stock split, reverse stock split or other similar event affecting the Preferred Stock), in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of at least a majority of the outstanding shares of Preferred Stock, voting together as a separate class, shall be necessary for the following actions:

(i) Any amendment, alteration, or repeal of any provision of these Amended and Restated Articles of Incorporation of the Corporation (including any filing of a Certificate of Determination) or the Bylaws of the Corporation that changes the voting powers, preferences, or other special rights or privileges, or restrictions of the Preferred Stock;

(ii) Any increase or decrease in the authorized number of shares of Common Stock or Preferred Stock;

(iii) Any authorization or designation or any issuance, whether by reclassification or otherwise, of any new class or series of stock or any other securities convertible into equity securities of the Corporation ranking on a parity with or senior to the Preferred Stock in rights of redemption, liquidation preference, voting or dividends;

(iv) Any redemption, repurchase or other acquisition of Common Stock (except for acquisitions of Common Stock by the Corporation pursuant to agreements, including without limitation, the Corporation's 1999 Stock Incentive Plan, which permit the Corporation to repurchase such shares upon termination of services to the Corporation or in exercise of the Corporation's right of first offer upon a proposed transfer);

(v) Any action that results in the payment or declaration of a dividend on any shares of Common Stock or Preferred Stock; and

(vi) Any agreement by the Corporation or its shareholders regarding any sale, lease or other disposition of all or substantially all of the assets of the Corporation to any third party; or any acquisition by the Corporation of any capital stock of any corporation or voting interest in any entity, or any acquisitions by the Corporation of any material assets of another entity, if the total consideration (including cash, stock issued and any debt assumed) paid by the Corporation exceeds two hundred fifty thousand dollars (\$250,000); or any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization (as defined in Section 181 of the General Corporation Law of California), excluding any consolidation or merger effected exclusively to change the domicile of the Corporation.

(c) Election of Board of Directors.

(i) For so long as at least thirty-three percent (33%) of shares of Series A Preferred originally issued remain outstanding (subject to adjustment for any stock split, reverse stock split or other similar event affecting the Series A Preferred), the holders of Series A Preferred, voting as a separate class, shall be entitled to elect one (1) member of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's shareholders for the election of directors, and to remove from office such director and to fill any vacancy caused by the resignation, death or removal of such director.

(ii) For so long as at least thirty-three percent (33%) of shares of Series B Preferred originally issued remain outstanding (subject to adjustment for any stock split, reverse stock split or other similar event affecting the Series B Preferred), the holders of Series B Preferred, voting as a separate class, shall be entitled to elect one (1) member of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's shareholders for the election of directors, and to remove from office such director and to fill any vacancy caused by the resignation, death or removal of such director.

3. Liquidation Rights.

(a) Upon any liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any Common Stock, the holders of Series A Preferred and Series B Preferred shall be entitled to be paid out of the assets of the Corporation an amount per share of Series A Preferred and Series B Preferred equal to the applicable Original Issue Price per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) plus all declared and unpaid dividends on such shares of Series A Preferred and Series B Preferred for each share of Series A Preferred and Series B Preferred then held by them. If, upon any such liquidation, distribution, or winding up, the assets of the Corporation shall be insufficient to make payment in full to all holders of Series A Preferred and Series B Preferred of the liquidation preference set forth in this Section 3(a), then such assets shall be distributed among the holders of Series A Preferred and Series B Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

(b) After the payment of the full liquidation preference of the Series A Preferred and Series B Preferred as set forth in Section 3(a) above, the assets of the Corporation legally available for distribution, if any, shall be distributed ratably to the holders of the Common Stock, Series A Preferred and Series B Preferred on an as-if-converted to Common Stock basis; *provided however* that the holders of Series B Preferred Stock shall participate in such distribution until they receive an aggregate amount under Sections 3(a) and 3(b) equal to two (2) times the Original Issue Price for the Series B Preferred.

(c) The following events shall be considered a liquidation under this

Section 3:

(i) any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization, in which the shareholders of the Corporation immediately prior to such consolidation, merger or reorganization, own less than 50% of the Corporation's voting power immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions to which the Corporation is a party in which in excess of fifty percent (50%) of the Corporation's voting power is transferred, excluding any consolidation or merger effected exclusively to change the domicile of the Corporation (an "Acquisition"); or

(ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation (an "Asset Transfer"); and

(iii) in any of such events, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value as determined in good faith by the Board of Directors. Any securities shall be valued as follows:

(A) If traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange or quotation system over the thirty (30) day period ending three (3) days prior to the closing of the applicable transaction;

(B) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing of the applicable transaction; and

(C) If there is no active public market, the value shall be the fair market value thereof (taking into account any restriction on free marketability, other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate), as determined in good faith by the Board of Directors; *provided however*, that in the event the Board of Directors is unable to unanimously agree on the fair market value, the Board of Directors shall select an independent third party appraiser who shall assess the fair market value.

4. **Conversion Rights.** The holders of the Series A Preferred and Series B Preferred shall have the following rights with respect to the conversion of the Series A Preferred and Series B Preferred into shares of Common Stock (the "Conversion Rights"):

(a) **Optional Conversion.** Subject to and in compliance with the provisions of this Section 4, any shares of Series A Preferred and Series B Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series A Preferred and Series B Preferred shall be entitled upon conversion shall be the product obtained by multiplying the applicable Conversion Rate then in effect (determined as provided in Section 4(b)) by the number of shares of such Series A Preferred and Series B Preferred being converted.

(b) **Conversion Rate.** The Conversion Rate in effect at any time for conversion of the Series A Preferred shall be the quotient obtained by dividing the Original Issue Price of the Series A Preferred by the Conversion Price for the Series A Preferred and the Conversion Rate in effect at any time for conversion of the Series B Preferred shall be the quotient obtained by dividing the

Original Issue Price for the Series B Preferred by the Conversion Price for the Series B Preferred, each calculated as provided in Section 4(c).

(c) Conversion Price. The Conversion Price shall initially be the Original Issue Price of the Series A Preferred for each share of Series A Preferred and the Original Issue Price of the Series B Preferred for each share of Series B Preferred. Such initial Conversion Price shall be adjusted from time to time in accordance with this Section 4. All references to the Conversion Price herein shall mean the Conversion Price as so adjusted.

(d) Mechanics of Conversion. Each holder of Series A Preferred and Series B Preferred who desires to convert the same into shares of Common Stock pursuant to this Section 4 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or any transfer agent for the Series A Preferred and Series B Preferred, and shall give written notice to the Corporation at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series A Preferred and Series B Preferred being converted and the name or names in which the certificate or certificates for shares of Common Stock are to be issued. Thereupon, the Corporation shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Common Stock (at the Common Stock's fair market value determined by the Board of Directors as of the date of such conversion), any declared and unpaid dividends on the shares of Series A Preferred and Series B Preferred being converted and (ii) in cash (at the Common Stock's fair market value determined in good faith by the Board of Directors) the value of any fractional share of Common Stock otherwise issuable to any holder of Series A Preferred and Series B Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Series A Preferred and Series B Preferred to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(e) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the date that the first share of Series B Preferred is issued (the "Original Issue Date") effect a subdivision of the outstanding Common Stock without a corresponding subdivision of the Preferred Stock, the Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock into a smaller number of shares without a corresponding combination of the Preferred Stock, the Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 4(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Common Stock Dividends and Distributions. If the Corporation at any time or from time to time after the Original Issue Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, in each such event the Conversion Price that is then in effect shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; *provided*,

however, that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this Section 4(f) to reflect the actual payment of such dividend or distribution.

(g) Adjustment for Reclassification, Exchange and Substitution. If at any time or from time to time after the Original Issue Date, the Common Stock issuable upon the conversion of the Series A Preferred and Series B Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than an Acquisition or Asset Transfer as defined in Section 3(c) or a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 4), in any such event each holder of Series A Preferred and Series B Preferred shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the maximum number of shares of Common Stock into which such shares of Series A Preferred and Series B Preferred could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(h) Reorganizations, Mergers or Consolidations. If at any time or from time to time after the Original Issue Date, there is a capital reorganization of the Common Stock or the merger or consolidation of the Corporation with or into another corporation or another entity or person (other than an Acquisition or Asset Transfer as defined in Section 3(c) or a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this Section 4), as a part of such capital reorganization, provision shall be made so that the holders of the Series A Preferred and Series B Preferred shall thereafter be entitled to receive upon conversion of the Series A Preferred and Series B Preferred the number of shares of stock or other securities or property of the Corporation to which a holder of the number of shares of Common Stock deliverable upon conversion would have been entitled on such capital reorganization, subject to adjustment in respect to such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of Series A Preferred and Series B Preferred after the capital reorganization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares issuable upon conversion of the Series A Preferred and Series B Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(i) Sale of Shares Below Conversion Price.

(i) If at any time or from time to time after the Original Issue Date, the Corporation issues or sells, or is deemed by the express provisions of this subsection (i) to have issued or sold, Additional Shares of Common Stock (as defined in subsection (i)(iv) below), other than as a dividend or other distribution on any class of stock as provided in Section 4(f) above, and other than a subdivision or combination of shares of Common Stock as provided in Section 4(e) above, for an Effective Price (as defined in subsection (i)(iv) below) less than the then effective Conversion Price, then and in each such case the then existing Conversion Price for each share of Series A Preferred or Series B Preferred, as the case may be, shall be reduced, as of the opening of business on the date of such issue or sale, to a price determined by multiplying the Conversion Price by a fraction (i) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock which the aggregate consideration received (as defined in subsection i(ii)) by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price in effect

immediately prior to such issue or sale, and (ii) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issue or sale plus the total number of Additional Shares of Common Stock so issued. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (A) the number of shares of Common Stock actually outstanding, (B) the number of shares of Common Stock into which the then outstanding shares of Series A Preferred or Series B Preferred, as applicable, could be converted if fully converted on the day immediately preceding the given date, and (C) the number of shares of Common Stock which could be obtained through the exercise or conversion of all other rights, options and convertible securities then exercisable.

(ii) For the purpose of making any adjustment required under this Section 4(i), the consideration received by the Corporation for any issue or sale of securities shall (A) to the extent it consists of cash, be computed at the net amount of cash received by the Corporation before deducting any underwriting or similar commissions, compensation or concessions or expenses paid or allowed by the Corporation in connection with such issue or sale, (B) to the extent it consists of property other than cash, be computed at the fair value of that property as determined in good faith by the Board of Directors, and (C) if Additional Shares of Common Stock, Convertible Securities (as defined in subsection (i)(iii) below) or rights or options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Corporation for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board of Directors to be allocable to such Additional Shares of Common Stock, Convertible Securities or rights or options.

(iii) For the purpose of the adjustment required under this Section 4(i), if the Corporation issues or sells after the Original Issue Date any (i) stock or other securities convertible into, Additional Shares of Common Stock (such convertible stock or securities being herein referred to as "Convertible Securities") or (ii) rights or options for the purchase of Additional Shares of Common Stock or Convertible Securities and if the Effective Price (as defined in subsection (i)(iv) below) of such Additional Shares of Common Stock is less than the then effective Conversion Price, in each case the Corporation shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Corporation for the issuance of such rights or options or Convertible Securities, plus, in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Corporation upon the exercise of such rights or options, plus, in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion thereof; *provided* that if in the case of Convertible Securities the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, the Corporation shall be deemed to have received the minimum amounts of consideration without reference to such clauses; *provided* further that if the minimum amount of consideration payable to the Corporation upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of antidilution adjustments, the Effective Price shall be recalculated on the date of such reduction using the figure to which such minimum amount of consideration is reduced; *provided* further that if the minimum amount of consideration payable to the Corporation upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated on the date of such increase using the increased minimum amount of consideration payable to the Corporation upon the exercise or conversion of such rights, options or Convertible Securities. No further adjustment of the Conversion Price, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be made as a result of the actual issuance of Additional Shares of Common

Stock on the exercise of any such rights or options or the conversion of any such Convertible Securities. If any such rights or options or the conversion privilege represented by any such Convertible Securities shall expire without having been exercised, the Conversion Price as adjusted upon the issuance of such rights, options or Convertible Securities shall be readjusted to the Conversion Price which would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued or sold on the exercise of such rights or options or rights of conversion of such Convertible Securities, and such Additional Shares of Common Stock, if any, were issued or sold for the consideration actually received by the Corporation upon such exercise, plus the consideration, if any, actually received by the Corporation for the granting of all such rights or options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted, plus the consideration, if any, actually received by the Corporation (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion of such Convertible Securities; *provided* that such readjustment shall not apply to prior conversions of Series A Preferred or Series B Preferred.

(iv) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued by the Corporation or deemed to be issued pursuant to this Section 4(i) after the Original Issue Date, other than (A) shares of Common Stock issued upon conversion of the Preferred Stock; (B) up to 7,529,600 (or such greater number as may be approved by unanimous consent of the members of the Corporation's Board of Directors) shares of Common Stock and/or options, warrants or other Common Stock purchase rights and the Common Stock issued pursuant to such options, warrants or other rights (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like and net of any repurchases of such shares or cancellation or expiration of options, warrants or other rights) after the Original Issue Date to employees, officers or directors of, or consultants or advisors to the Corporation or any subsidiary pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board of Directors; (C) shares of Common Stock issued pursuant to the exercise of options, warrants or convertible securities outstanding as of the Original Issue Date; (D) shares as a dividend or distribution on any class of stock; (E) Common Stock issued pursuant to a transaction described in Section 4(f) above; and (F) shares of Common Stock issued pursuant to any equipment leasing arrangement, or debt financing from a bank or similar financial institution approved by at least sixty-six and two-thirds percent (66 2/3%) of the members of the Corporation's Board of Directors. References to Common Stock in the subsections of this clause (iv) above shall mean all shares of Common Stock issued by the Corporation or deemed to be issued pursuant to this Section 4(i). The "Effective Price" of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold by the Corporation under this Section 4(i), into the aggregate consideration received, or deemed to have been received by the Corporation for such issue under this Section 4(i), for such Additional Shares of Common Stock.

(j) Certificate of Adjustment. In each case of an adjustment or readjustment of the Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Series A Preferred or Series B Preferred, as applicable, if such Series A Preferred or Series B Preferred is then convertible pursuant to this Section 4, the Corporation, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series A Preferred or Series B Preferred, as applicable, at the holder's address as shown in the Corporation's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Corporation for any Additional Shares of Common Stock issued or sold or deemed to have been issued or sold, (ii) the Conversion Price at the time in effect, (iii) the number of Additional Shares of Common Stock and (iv)

the type and amount, if any, of other property which at the time would be received upon conversion of the Series A Preferred or Series B Preferred, as applicable.

(k) **Notices of Record Date.** Upon (i) any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 3(c) or other capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any merger or consolidation of the Corporation with or into any other corporation, or any Asset Transfer (as defined in Section (3c)), or any voluntary or involuntary dissolution, liquidation or winding up of the Corporation, the Corporation shall mail to each holder of Preferred Stock at least ten (10) days prior to the record date specified therein (or such shorter period approved by a majority of the outstanding Preferred Stock) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(l) **Automatic Conversion.**

(i) Each share of Preferred Stock shall automatically be converted into shares of Common Stock, based on the then-effective Conversion Price, (A) at any time upon the affirmative election of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of Preferred Stock, or (B) immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Corporation in which (i) the per share price is at least \$3.00 (as adjusted for stock splits, dividends, recapitalizations and the like), and (ii) the gross cash proceeds to the Corporation (before underwriting discounts, commissions and fees) are at least \$15,000,000. Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the provisions of Section 4(d).

(ii) Upon the occurrence of either of the events specified in Section 4(l)(i) (A) above, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; *provided, however*, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Preferred Stock are either delivered to the Corporation or its transfer agent as provided below, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Preferred Stock, the holders of Preferred Stock shall surrender the certificates representing such shares at the office of the Corporation or any transfer agent for the Preferred Stock. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred.

(m) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Corporation shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value (as determined as of the date of conversion in good faith by the Board of Directors).

(n) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred and Series B Preferred, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred and Series B Preferred. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred and Series B Preferred, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(o) Notices. Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Corporation.

(p) Payment of Taxes. The Corporation will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of Preferred Stock, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered.

(q) No Impairment. Without the consent of the holders of the then outstanding shares of Preferred Stock, as required under Section 2(b), the Corporation shall not amend its Restated Articles of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or take any other voluntary action, for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Stock against impairment.

(r) Minimum Adjustment Amount. Notwithstanding anything herein to the contrary, no adjustment of the Conversion Price shall be made in an amount less than one cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be taken into account at the earlier of any of the following events: (i) at any subsequent adjustment made prior to three years from the date of the event giving rise to the adjustment being carried forward, (ii) at the end of three years from the date of the event giving rise to the adjustment

being carried forward, or (iii) immediately prior to any event (including without limitation, any election by the holders of Preferred Stock) that results in conversion of the Preferred Stock into shares of Common Stock or any other security.

5. Redemption.

(a) The Corporation shall be obligated to redeem the Preferred Stock as follows:

(i) The holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a separate class, may require the Corporation, to the extent it may lawfully do so, to redeem the Preferred Stock in three (3) annual installments beginning on the seventh (7th) anniversary of the original issue date for the Series A Preferred, and ending on the date three (3) years from such first redemption date (each a "Redemption Date"). The Corporation shall effect such redemptions on the applicable Redemption Date by paying in cash in exchange for the shares of Preferred Stock to be redeemed the greater of: (A) the sum equal to the applicable Original Issue Price per share of Preferred Stock (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares), plus an amount equal to eight percent (8%) of the applicable Original Issue price per annum from the original date of issuance on each outstanding share of Preferred Stock minus the amount of cash dividends declared and paid on the shares of Preferred Stock, or (B) the fair market value as determined by the Corporation's Board of Directors in accordance with Section 3(c)(iii). The total amount to be paid for the Preferred Stock is hereinafter referred to as the "Redemption Price." The number of shares of Preferred Stock that the Corporation shall be required to redeem on any one Redemption Date shall be equal to the amount determined by dividing (A) the aggregate number of shares of Preferred Stock outstanding immediately prior to the Redemption Date by (B) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies). Shares subject to redemption pursuant to this Section 5(a) shall be redeemed from each holder of Preferred Stock on a *pro rata* basis.

(ii) At least thirty (30) days but no more than sixty (60) days prior to the first Redemption Date, the Corporation shall send a notice (a "Redemption Notice") to all holders of Preferred Stock to be redeemed setting forth (A) the Redemption Price for the shares to be redeemed; and (B) the place at which such holders may obtain payment of the Redemption Price upon surrender of their share certificates. If the Corporation does not have sufficient funds legally available to redeem all shares to be redeemed at the Redemption Date (including, if applicable, those to be redeemed at the option of the Corporation), then it shall redeem such shares *pro rata* (based on the portion of the aggregate Redemption Price payable to them) to the extent possible and shall redeem the remaining shares to be redeemed as soon as sufficient funds are legally available.

(b) On or prior to the Redemption Date, the Corporation shall deposit the aggregate Redemption Price of all shares to be redeemed for which certificates have not been surrendered with a bank or trust company having aggregate capital and surplus in excess of \$100,000,000, as a trust fund, with irrevocable instructions and authority to the bank or trust company to pay, on and after such Redemption Date, the Redemption Price of the shares to their respective holders upon the surrender of their share certificates. The deposit shall constitute full payment for the shares to the holders. Any moneys deposited by the Corporation pursuant to this Section 5(b) for the redemption of shares thereafter converted into shares of Common Stock pursuant to Section 4 hereof no later than the fifth (5th) day preceding the Redemption Date shall be returned to the Corporation forthwith upon such conversion. The balance of any funds deposited by the Corporation pursuant to this Section 5(b) remaining unclaimed at the expiration of one (1) year following such Redemption Date shall be returned to the Corporation promptly upon its written request.

(c) On or after such Redemption Date, each holder of shares of Preferred Stock to be redeemed shall surrender such holder's certificates representing such shares to the Corporation in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by such certificates are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after such Redemption Date, unless there shall have been a default in payment of the Redemption Price or the Corporation is unable to pay the Redemption Price due to not having sufficient legally available funds, all rights of the holders of such shares as holders of Preferred Stock (except the right to receive the Redemption Price without interest upon surrender of their certificates), shall cease and terminate with respect to such shares; *provided* that in the event that shares of Preferred Stock are not redeemed due to a default in payment by the Corporation or because the Corporation does not have sufficient legally available funds, such shares of Preferred Stock shall remain outstanding and shall be entitled to all of the rights and preferences provided herein.

(d) In the event of a call for redemption of any shares of Preferred Stock, the Conversion Rights (as defined in Section 4) for such Preferred Stock shall terminate as to the shares designated for redemption at the close of business on the fifth (5th) day preceding the Redemption Date, unless default is made in payment of the Redemption Price.

6. No Reissuance of Preferred Stock. No share or shares of Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued; and in addition, the Articles of Incorporation shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized stock.

7. No Preemptive Rights. Shareholders shall have no preemptive rights.

IV.

A. The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

B. The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the General Corporation Law of California) for breach of duty to the Corporation and its shareholders through bylaw provisions or through agreements with agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the General Corporation Law of California, subject to the limits on such excess indemnification set forth in Section 204 of the General Corporation Law of California. If, after the effective date of this Article, California law is amended in a manner which permits a corporation to limit the monetary or other liability of its directors or to authorize indemnification of, or advancement of such defense expenses to, its directors or other persons, in any such case to a greater extent than is permitted on such effective date, the references in this Article to "California law" shall to that extent be deemed to refer to California law as so amended.

C. Any repeal or modification of this Article shall only be prospective and shall not effect the rights under this Article in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

THREE: The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the Board of Directors of the Corporation.

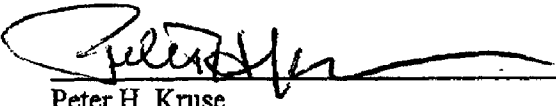
FOURTH: The foregoing amendment and restatement of the Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Sections 902 and 903 of the California Corporations Code. The Corporation has two classes of stock outstanding, Common Stock and Preferred Stock, and the Preferred Stock is divided into one series, Series A Preferred. The Common Stock and the Series A Preferred are entitled to vote with respect to the amendment herein set forth and the percentage vote required was more than 50% of the Common Stock and more than 50% of the Series A Preferred. The total number of outstanding shares of Common Stock of the Corporation is 14,920,400 and the total number of outstanding shares of Series A Preferred of the Corporation is 6,000,000; the number of shares of Common Stock and Series A Preferred voting in favor of the amendment equaled or exceeded the vote required.

The undersigned, Christopher S. Kruse and Peter H. Kruse, the Chief Executive Officer and Secretary, respectively, of Cascentral.Com, Inc. declare under penalty of perjury under the laws of the State of California that the matters set out in the foregoing Certificate are true of their own knowledge.

Executed at San Francisco, California on August 7, 2000.



Christopher S. Kruse
Chief Executive Officer



Peter H. Kruse
Secretary

