

Form PTO-1594 **RECORDATION FORM COVER SHEET** U.S. DEPARTMENT OF COMMERCE
 (Rev. 03/01) **TRADEMARKS ONLY** U.S. Patent and Trademark Office
 OMB No. 0651-0027 (exp. 5/31/2002)
 Tab settings

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
 Name: World Wrapps Inc.
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State **California**
 Other: _____
 Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other: _____

Execution Date: **May 31, 2000**

2. Name and address of receiving party(ies)
 Name: Fresh Latitudes World Café, Inc.
 Street Address: 1000 Brannan St, #401
 City: San Francisco State: California Zip: 94103
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State **California**
 Other _____
 If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from assignment)
 Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 B. Trademark Registration No.(s) **2,352,186; 2,077,694; 2,061,661; 2,077,686; 2,250,081; 1,997,980; 2,117,973; 2,075,851; 2,120,428; 2,060,835**
 Additional number(s) attached Yes No

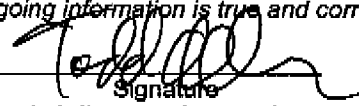
5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: John C. Wilson, Esq.
 Internal Address: Heller, Ehrman, White & McAuliffe
 Street Address: 333 Bush Street
 City: San Francisco State: CA Zip:94104-2878

6. Total number of applications and registrations involved: 10

7. Total fee (37 CFR 3.41).....\$265.00
 Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: 08-1645
 (Attach duplicate copy of this page if paying by deposit account)

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9. 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.
Todd Adler  8/23/02
 Name of Person Signing Signature Date
 Total number of pages including cover sheet, attachments, and document: _____

Mail documents to be recorded with required cover sheet information to:
 Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

A0546465

1892998
THIRD AMENDED AND RESTATED

FILED *NGP*
in the office of the Secretary of State
of the State of California

JUN 02 2000
Bill Jones
BILL JONES, Secretary of State

ARTICLES OF INCORPORATION OF

WORLD WRAPPS INC.

David Barrows and Sean Maloney hereby certify that:

1. They are the duly elected and acting President and Secretary, respectively, of World Wrapps Inc., a California corporation (the "Corporation").
2. The Corporation's Articles of Incorporation are amended and restated to read as follows:

ARTICLE I

NAME

The name of the Corporation is Fresh Latitudes World Cafe, Inc. (hereinafter, the "Corporation").

ARTICLE II

PURPOSES

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.

ARTICLE III

STOCK

The Corporation is authorized to issue two classes of shares to be designated, respectively, Preferred Stock ("Preferred" or "Preferred Stock"), and Common Stock ("Common" or "Common Stock"). The total number of shares of capital stock this Corporation shall have authority to issue is one hundred thirty million eight hundred thousand (130,000,000). The total number of shares of Preferred this Corporation shall have authority to issue is sixty five million eight hundred thousand (65,000,000), with par value of \$0.0001 per share. The total number of shares of Common this Corporation shall have authority to issue is sixty five million (65,000,000), with par value of \$0.0001 per share.

The Preferred shall be divided into series. The first series of Preferred shall be comprised of four million six hundred thousand (4,600,000) shares and shall be designated "Series A Preferred Stock." The second series of Preferred shall be comprised of three million six hundred eighty-nine thousand eight hundred sixty (3,700,000) shares and shall be designated "Series A-1 Preferred Stock." The third series of Preferred shall be comprised of eight hundred fifty thousand (850,000) shares and shall be designated "Series A-2 Preferred Stock." The fourth series of Preferred shall be comprised of eight hundred twenty-five thousand (825,000) shares and shall be designated "Series A-3 Preferred Stock." The fifth series of Preferred shall be comprised of eight hundred twenty-five thousand (825,000) shares and shall be designated "Series A-4 Preferred Stock." The sixth series of Preferred shall be comprised of six million (6,000,000) shares and shall be designated "Series B Preferred Stock." The seventh series of Preferred shall be comprised of six million (6,000,000) shares and shall be designated "Series B-1 Preferred Stock." The eighth series of Preferred shall be comprised of twenty million (20,000,000) shares and shall be designated "Series C Preferred Stock." The ninth series of Preferred shall be comprised of twenty million (20,000,000) shares and shall be designated "Series C-1 Preferred Stock." As used herein, the term "Series A Preferred" without designation shall refer to shares of the Corporation's Series A Preferred Stock, the term "Series A-1 Preferred" without designation shall refer to shares of the Corporation's Series A-1 Preferred Stock, the term "Series A-2 Preferred" without designation shall refer to shares of the Corporation's Series A-2 Preferred Stock, the term "Series A-3 Preferred" without designation shall refer to shares of the Corporation's Series A-3 Preferred Stock, the term "Series A-4 Preferred" without designation shall refer to shares of the Corporation's Series A-4 Preferred Stock, the term "Series B Preferred" without designation shall refer to shares of the Corporation's Series B Preferred Stock, the term "Series B-1 Preferred" without designation shall refer to shares of the Corporation's Series B-1 Preferred Stock, the term "Series C Preferred" without designation shall refer to shares of the Corporation's Series C Preferred Stock, the term "Series C-1 Preferred" without designation shall refer to shares of the Corporation's

Series C-1 Preferred Stock and the term "Common" shall refer to the Corporation's Common Stock. Except as specifically set forth in paragraphs 3((a)), 3((c)) and 4((c)) below, the rights, preferences, privileges and restrictions granted to or imposed on the Series A Preferred, the Series B Preferred and the Series C Preferred shall be identical to those granted to or imposed on the Series A-1 Preferred, the Series A-2 Preferred, the Series A-3 Preferred, the Series A-4 Preferred, the Series B-1 Preferred and the Series C-1 Preferred, respectively, and each reference to the Series A Preferred, the Series B Preferred or the Series C Preferred shall also be deemed a reference to the Series A-1 Preferred, Series A-2 Preferred, the Series A-3 Preferred, the Series A-4 Preferred, the Series B-1 Preferred or the Series C-1 Preferred, respectively.

The relative rights, preferences, privileges and restrictions granted to or imposed upon the Common and the Series A, Series B and Series C Preferred are as follows:

1. Dividends.

(a) No dividend shall be declared, paid or set apart for payment or any other distribution made (whether in cash or obligations of the Corporation or other properties) upon any Common or any other class or series of stock of this Corporation (other than the Preferred), unless all accrued dividends (if any) on all outstanding shares of the Preferred shall have been paid or declared and set aside payment. The right to dividends on shares of Preferred shall not be cumulative and no right shall accrue to holders of shares of Preferred by reason of the fact that no distribution on Preferred is declared in any prior year, nor shall any undeclared or unpaid distribution on Preferred bear or accrue interest.

(b) In the event that the Corporation shall declare a cash dividend on shares of Common, the holder of each share of Preferred shall be entitled to receive a cash dividend, simultaneously with and in an amount equal to the amount paid to the holder of each share of Common; provided, however, that for the purpose of calculating the amount due per share of Preferred under this paragraph 1((b)), each share of Preferred shall be deemed to be that number of shares of Common into which such share of Preferred was convertible as of the date fixed by the Board of Directors of the Corporation for the determination of the holders of Common entitled to receive such dividends.

(c) In addition to the dividends set forth in paragraph 1((b)), in the event that the Corporation shall declare a non-cash dividend or distribution upon its Common, including, without limitation, any distribution of capital stock (other than Common) of the Corporation, stock or other securities of other persons, evidences of indebtedness issued by the Corporation or other persons, other assets or options or rights (excluding options to purchase and rights to subscribe for Common or other securities of the Corporation convertible into or exchangeable for Common), the holders of Preferred shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common into which their shares of Preferred were convertible as of the date fixed by the Board of Directors of the Corporation for the determination of the holders of Common entitled to receive such distribution.

(d) Each holder of shares of Preferred shall be deemed to have consented, for purposes of sections 502, 503 and 506 of the General Corporation Law of the State of California, to distributions made by the Corporation in connection with the repurchase of shares of Common Stock issued to or held by employees, directors or consultants upon termination of their employment or services pursuant to agreements providing for such repurchase.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution, or winding up of the Corporation, either voluntary or involuntary, distributions to the shareholders of the Corporation shall be made in the following manner:

(i) The holders of Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common or any other class or series of stock of this Corporation by reason of their ownership of such stock, an amount for each share of Series A Preferred then held by them equal to One Dollar Ten Cents (\$1.10) (appropriately adjusted for any consolidations, combinations, stock distributions, stock dividends, stock splits or similar events (collectively a "Recapitalization Event")) plus all declared and unpaid dividends thereon, an amount for each share of Series B Preferred then held by them equal to Seventy Cents (\$0.70) (appropriately adjusted for any Recapitalization Event) plus all declared and unpaid dividends thereon and an amount for each share of Series C Preferred then held by them equal to Twenty-Five Cents (\$0.25) (appropriately adjusted for any Recapitalization Event) plus all declared and unpaid dividends thereon (the "Preferred Liquidation Preference"). If upon occurrence of such event of liquidation, dissolution or winding up, the assets and property legally available to be distributed among the holders of the Preferred shall be insufficient to permit the payment to such holders of the Preferred Liquidation Preference, then the entire assets and property of the Corporation legally available for distribution shall be distributed ratably among the holders of the Preferred based on their respective portion of the Preferred Liquidation Preference.

(ii) After payment has been made to the holders of the Preferred of the full amounts to which they shall be entitled pursuant to paragraph 2((a)) ((i)) above, assets available for distribution, if any, shall be distributed ratably among the holders of the Common.

(b) For purposes of this paragraph 2, a merger or consolidation of the Corporation with or into any other corporation or corporations in which the shareholders of the Corporation shall own less than 50% of the voting securities of the surviving corporation, or a sale of all or substantially all of the assets of the Corporation, shall be treated as a liquidation, dissolution or winding up of the Corporation. The valuation of any securities or other property other than cash received by the Corporation in any transaction covered by this subparagraph 2((b)) shall be computed at the fair value thereof at the time of receipt as determined in good faith by the Board of Directors.

(c) The holders of Preferred shall have no priority or preference with

respect to distributions made by the Corporation in connection with the repurchase of shares of Common issued to or held by employees, directors or consultants upon termination of their employment or services pursuant to agreements providing for the right of said repurchase between the Corporation and such persons.

(d) In the event the requirements of this Section 2 are not complied with, the Corporation shall forthwith either:

(i) cause such closing to be postponed until such time as the requirements of this Section 2 have been complied with; or

(ii) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2((e)) hereof.

(e) The Corporation shall give each holder of record of Preferred written notice of such impending transaction no later than twenty (20) days prior to the shareholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. Such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of Preferred that represent at least a majority of the voting power of all the then outstanding shares of such Preferred.

3. Conversion. The holders of the Preferred shall have conversion rights (the "Conversion Rights") as follows:

(a) Right to Convert. Each share of Preferred shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for the Preferred, into Common Stock as more fully described below.

The number of shares of fully paid and nonassessable Common Stock into which each share of Series A Preferred may be converted shall be determined by dividing (i) the sum of One Dollar Ten Cents (\$1.10) plus the amount of all declared and unpaid dividends by (ii) the Series A Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series A Conversion Price shall initially be One Dollar Ten Cents (\$1.10) subject to adjustment as provided in subparagraphs 4((a)), 4((b)) and 4((c)) below. The number of shares of fully paid and nonassessable Common Stock into which each share of Series A-1 Preferred may be converted shall be determined by dividing (i) the sum of One Dollar Ten Cents (\$1.10) plus the amount of all declared and unpaid dividends by (ii) the Series A-1 Conversion Price (as hereinafter defined) in effect at the

time of conversion. The Series A-1 Conversion Price shall initially be One Dollar (\$1.00) subject to adjustment only as provided in subparagraphs 4((a)) and 4((b)) below. The number of shares of fully paid and nonassessable Common Stock into which each share of Series A-2 Preferred may be converted shall be determined by dividing (i) the sum of One Dollar Ten Cents (\$1.10) plus the amount of all declared and unpaid dividends by (ii) the Series A-2 Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series A-2 Conversion Price shall initially be Ninety Cents (\$0.90) subject to adjustment only as provided in subparagraphs 4((a)) and 4((b)) below. The number of shares of fully paid and nonassessable Common Stock into which each share of Series A-3 Preferred may be converted shall be determined by dividing (i) the sum of One Dollar Ten Cents (\$1.10) plus the amount of all declared and unpaid dividends by (ii) the Series A-3 Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series A-3 Conversion Price shall initially be Seventy-Two Cents (\$0.72) subject to adjustment only as provided in subparagraphs 4((a)) and 4((b)) below. The number of shares of fully paid and nonassessable Common Stock into which each share of Series A-4 Preferred may be converted shall be determined by dividing (i) the sum of One Dollar Ten Cents (\$1.10) plus the amount of all declared and unpaid dividends by (ii) the Series A-4 Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series A-4 Conversion Price shall initially be Seventy-Two Cents (\$0.72) subject to adjustment only as provided in subparagraphs 4((a)) and 4((b)) below.

The number of shares of fully paid and nonassessable Common Stock into which each share of Series B Preferred may be converted shall be determined by dividing (i) the sum of Seventy Cents (\$0.70) plus the amount of all declared and unpaid dividends by (ii) the Series B Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series B Conversion Price shall initially be Seventy Cents (\$0.70) subject to adjustment as provided in subparagraphs 4((a)), 4((b)) and 4((c)) below. The number of shares of fully paid and nonassessable Common Stock into which each share of Series B-1 Preferred may be converted shall be determined by dividing (i) the sum of Seventy Cents (\$0.70) plus the amount of all declared and unpaid dividends by (ii) the Series B-1 Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series B-1 Conversion Price shall initially be Seventy Cents (\$0.70) subject to adjustment only as provided in subparagraphs 4((a)) and 4((b)) below.

The number of shares of fully paid and nonassessable Common Stock into which each share of Series C Preferred may be converted shall be determined by dividing (i) the sum of Twenty-Five Cents (\$0.25) plus the amount of all declared and unpaid dividends by (ii) the Series C Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series C Conversion Price shall initially be Twenty-Five Cents (\$0.25) subject to adjustment as provided in subparagraphs 4((a)), 4((b)) and 4((c)) below. The number of shares of fully paid and nonassessable Common Stock into which each share of Series C-1 Preferred may be converted shall be determined by dividing (i) the sum of Twenty-Five Cents (\$0.25) plus the amount of all declared and unpaid dividends by (ii) the Series C-1 Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series C-1 Conversion Price shall initially be Twenty-Five Cents (\$0.25) subject to adjustment only as provided in subparagraphs 4((a)) and 4((b)) below.

(b) Automatic Conversion. Each share of Preferred shall automatically be converted into shares of Common utilizing the then-effective Conversion Price for each such share upon the earlier to occur of (i) the closing of a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, that results in gross proceeds to the Corporation of at least \$20,000,000 at a price per share of Common Stock equal to at least \$2.80 (subject to adjustment for any Recapitalization Event) (a "Qualifying Public Offering"), and (ii) approval of a majority of the Preferred. In the event of Qualifying Public Offering, the person(s) entitled to receive the Common issuable upon such automatic conversion of Preferred shall not be deemed to have converted such Preferred until immediately prior to the closing of such sale of securities.

(c) Automatic Conversion In The Event of Non-Participation.

(i) If the Corporation should desire to issue in a transaction not registered under the Securities Act of 1933, as amended, in reliance upon a claimed exemption thereunder, any Equity Securities (as defined in subparagraph 4((c))(ii)(A) below) other than Series B Preferred Stock and at a price per share less than the respective Conversion Price for a share of Preferred in effect on the date of and immediately prior to such issue, it shall give each holder of Series A-3 Preferred, if the proposed issuance price per share is less than the Series A-3 Conversion Price, each holder of Series B Preferred, if the proposed issuance price per share is less than the Series B Conversion Price, and each holder of Series C Preferred, if the proposed issuance price per share is less than the Series C Conversion Price (but not holders of Series A, A-1, A-2, A-4, B-1 or C-1 Preferred) the right to purchase such holder's pro rata share (but not less than such share) of all of such Equity Securities on the same terms as the Corporation is willing to sell such Equity Securities to any other person. Each holder's pro rata share of the Equity Securities shall be equal to the percentage determined by dividing (1) the number of shares of Common issued or issuable to such holder pursuant to outstanding securities of the Corporation, by (2) the number of shares of Common Stock issued or issuable by the Corporation pursuant to all outstanding securities of the Corporation (assuming for purposes of this calculation the exercise, conversion or exchange of all securities exercisable or exchangeable for or convertible into Common).

(ii) Prior to any sale or issuance by the Corporation of any Equity Securities other than Series B Preferred Stock and at a price per share less than the respective Conversion Price for a share of Preferred in effect on the date of and immediately prior to such issue (a "Dilutive Issuance"), the Corporation shall notify each holder of Series A-3 Preferred, if the proposed issuance price per share is less than the Series A-3 Conversion Price, each holder of Series B Preferred, if the proposed issuance price per share is less than the Series B Conversion Price, and each holder of Series C Preferred, if the proposed issuance price per share is less than the Series C Conversion Price (but not holder of Series A, A-1, A-2, A-4, B-1 or C-1 Preferred) in writing of its intention to sell and issue such securities, setting forth the terms under which it proposes to make such sale. Within ten (10) days after receipt of such notice, each holder shall notify the Corporation in writing whether such holder desires to exercise the option to purchase such holder's pro rata share of the Equity Securities so offered. Any holder who

does not provide such written notice within such ten (10) day period shall thereafter be deemed to be a "Non-Participating Holder" with respect to the Preferred held by such holder having a Conversion Price greater than the proposed issuance price in the Dilutive Financing. Each share of Series A-3 Preferred held by a Non-Participating Holder in a Dilutive Issuance with respect to Series A-3 Preferred shall automatically be converted into one (1) share of the Series A-4 Preferred immediately before the closing of the Dilutive Issuance. Each share of Series B Preferred held by a Non-Participating Holder in a Dilutive Issuance with respect to Series B Preferred shall automatically be converted into one (1) share of the Series B-1 Preferred immediately before the closing of the Dilutive Issuance. Each share of Series C Preferred held by a Non-Participating Holder in a Dilutive Issuance with respect to Series C Preferred shall automatically be converted into one (1) share of the Series C-1 Preferred immediately before the closing of the Dilutive Issuance.

(d) No fractional shares of Common shall be issued upon conversion of Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of the Common on the conversion date, as determined in good faith by the Corporation's board of directors. Before any holder of Preferred shall be entitled to convert the same into full shares of Common, he shall surrender the certificate or certificates therefor duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred, and shall give written notice to the Corporation at such office that he elects to convert the same; *provided, however*, that in the event of an automatic conversion pursuant to subparagraphs 3((b)) or 3((c)) of this Article ARTICLE III, the outstanding shares of all Preferred 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 further, however*, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless either the certificates evidencing such shares of Preferred are delivered to the Corporation or its transfer agent as provided above, 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.

(e) The Corporation shall, as soon as practicable after such delivery, or after such agreement and indemnification, issue and deliver at such office to such holder of Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder, or order, in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common, plus any declared and unpaid dividends on the converted Preferred, and a certificate for any shares of Preferred not so converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred to be converted, or in the case of automatic conversion on the date of the closing of the offering or the receipt of the written consent (as the case may be), and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares

of Common on such date.

(f) Upon the conversion of any outstanding shares of Preferred into Common Stock pursuant to this Section 3, all such shares of Preferred previously designated Series A, Series B or Series C Preferred Stock shall resume the status of authorized but unissued shares of Preferred, undesignated as to series.

4. Adjustments to Conversion Price.

(a) In the event the Corporation at any time or from time to time effects a subdivision or combination of its outstanding Common into a greater or lesser number of shares without a proportionate and corresponding subdivision or combination of its outstanding Preferred, then and in each such event the Conversion Price for each series of Preferred shall be decreased or increased proportionately.

(b) In the event the Corporation at any time or from time to time shall make or issue, or fix a record date for the determination of holders of Common entitled to receive, a dividend or other distribution payable in additional shares of Common or other securities or rights (hereinafter referred to as "Common Stock Equivalents") convertible into or entitling the holder thereof to receive additional shares of Common without payment of any consideration by such holder for such Common Stock Equivalents or the additional shares of Common, then and in each such event the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents shall be deemed to be issued and outstanding as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date. In each such event, the Conversion Price for each series of Preferred shall be proportionately decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date.

(c) If at any time after the first date on which shares of such series of Preferred is first issued ("Original Issue Date" with respect to such shares), the Corporation shall issue or sell Equity Securities, as defined in subsection ((A)) below, at a consideration per share (the "Lower Price") less than the Conversion Price for such series in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale, such Conversion Price shall be adjusted to a price (calculated to the nearest cent) determined by dividing:

(i) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale multiplied by the then-existing Conversion Price, (y) the number of shares of Common Stock issuable upon conversion or exchange of any obligations or of any shares of stock of the Corporation outstanding immediately prior to such issue or sale multiplied by the then-existing Conversion Price, and (z) an amount equal to the aggregate "consideration actually received" by the Corporation upon such issue or sale, by

(ii) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately after such issue or sale, (y) the number of shares of Common Stock issuable upon conversion or exchange of any obligations or of any shares of stock of the Corporation outstanding immediately prior to such issue or sale and (z) the additional shares of Common Stock issued as and/or issuable upon conversion or exchange of the Equity Securities issued in such issuance or sale.

The adjustments provided in this subsection 4((c)) shall only apply to Series A-3, Series B and Series C Preferred Stock and shall not apply to Series A, Series A-1, Series A-2, Series A-4, Series B-1 and Series C-1 Preferred Stock.

For purposes hereof the following provisions shall be applicable:

(A) The term "Equity Securities" shall mean any shares of Common Stock or any obligation, stock or other security of the Corporation convertible into, exercisable for or exchangeable for Common Stock except for (A) options issuable to employees, directors or consultants of the Corporation in each case upon the prior approval of a majority of the Board of Directors of the Corporation, (B) shares of Common or Series A-1 or Series A-2 or Series A-3 or Series A-4, Series B-1 or Series C-1 Preferred Stock issued upon the conversion of any outstanding convertible securities of the Corporation or the exercise of any outstanding options, warrants or other rights to acquire equity securities of the Corporation, (C) capital stock issued in connection with a pro rata stock dividend, stock split, recapitalization or like occurrence, (D) securities issued pursuant to the acquisition of all or part of another company by the Corporation by merger or other reorganization, or by the purchase of all or part of the assets of another company, pursuant to a plan, agreement or arrangement approved by the Board of Directors, (E) Common and/or Preferred Stock issuable upon exercise, conversion or exchange of warrants to purchase Common or Preferred Stock issued in connection with a bank line or equipment financing approved by the Board of Directors, and (F) shares of Common issued by the Corporation for sale in a Qualifying Public Offering.

(B) In the case of an issue or sale for cash of shares of Common Stock, the "consideration actually received" by the Corporation therefor shall be deemed to be the amount of cash received, before deducting therefrom any commissions or expenses paid by the Corporation.

(C) In case of the issuance (otherwise than upon conversion or exchange of obligations or shares of stock of the Corporation) of additional shares of Common Stock for a consideration other than cash or a consideration partly other than cash, the amount of the consideration other than cash received by the Corporation for such shares shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors.

(D) In case of the issuance by the Corporation in any manner of any rights to subscribe for or to purchase shares of Common Stock, or any options for the purchase of shares of Common Stock or stock convertible into Common Stock, all shares of Common Stock or stock convertible into Common Stock to which the

holders of such rights or options shall be entitled to subscribe for or purchase pursuant to such rights or options shall be deemed "outstanding" as of the date of the offering of such rights or the granting of such options, as the case may be, and the minimum aggregate consideration named in such rights or options for the shares of Common Stock or stock convertible into Common Stock covered thereby, plus the consideration, if any, received by the Corporation for such rights or options, shall be deemed to be the "consideration actually received" by the Corporation (as of the date of the offering of such rights or the granting of such options, as the case may be) for the issuance of such shares.

(E) In case of the issuance or issuances by the Corporation in any manner of any obligations or of any shares of stock of the Corporation that shall be convertible into or exchangeable for Common Stock, all shares of Common Stock issuable upon the conversion or exchange of such obligations or shares shall be deemed issued as of the date such obligations or shares are issued, and the amount of the "consideration actually received" by the Corporation for such additional shares of Common Stock shall be deemed to be the total of (1) the amount of consideration received by the Corporation upon the issuance of such obligations or shares, as the case may be, plus (2) the minimum aggregate consideration, if any, other than such obligations or shares, receivable by the Corporation upon such conversion or exchange, except in adjustment of dividends.

(F) The amount of the "consideration actually received" by the Corporation upon the issuance of any rights or options referred to in subsection ((D)) above or upon the issuance of any obligations or shares which are convertible or exchangeable as described in subsection ((E)) above, and the amount of the consideration, if any, other than such obligations or shares so convertible or exchangeable, receivable by the Corporation upon the exercise, conversion or exchange thereof shall be determined in the same manner provided in subsections ((B)) and ((C)) above with respect to the consideration received by the Corporation in case of the issuance of additional shares of Common Stock; provided, however, that if such obligations or shares of stock so convertible or exchangeable are issued in payment or satisfaction of any dividend upon any stock of the Corporation other than Common Stock, the amount of the "consideration actually received" by the Corporation upon the original issuance of such obligations or shares of stock so convertible or exchangeable shall be deemed to be the fair value of such obligations or shares of stock, as of the date of the adoption of the resolution declaring such dividend, as determined by the Board of Directors at or as of that date. On the expiration of any rights or options referred to in subsection ((D)), or the termination of any right of conversion or exchange referred to in subsection ((E)), or any change in the number of shares of Common Stock deliverable upon exercise of such options or rights or upon conversion of or exchange of such convertible or exchangeable securities, the Conversion Price for a series of Preferred then in effect shall forthwith be readjusted to such Conversion Price as would have obtained had the adjustments made upon the issuance of such option, right or convertible or exchangeable securities been made upon the basis of the delivery of only the number of shares of Common Stock actually delivered or to be delivered upon the exercise of such rights or options or upon the conversion or exchange of such securities.

(G) In the event this Corporation shall declare a

distribution payable in securities of other persons, evidences of indebtedness issued by this Corporation or other persons or options or rights not referred to in this subsection ((c)), then, in each such case, the holders of the Preferred shall be entitled to the distributions provided for in Section (1) above, and no adjustment to the Conversion Price for a series of Preferred provided for in this subsection ((c)) shall be applicable.

(d) Without the consent of the holders of a majority in interest of the outstanding Preferred, the Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred against impairment.

(e) Upon the occurrence of each adjustment or readjustment of the Conversion Price for a series of Preferred pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of shares of Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price for a series of Preferred at the time in effect, and (iii) the number of shares of Common and the amount, if any, of other property which at the time would be received upon the conversion of Preferred.

(f) This 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 Preferred Stock 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 Preferred Stock; and 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 Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this 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 purposes.

5. Voting Rights.

(a) Voting for Directors. The holders of Series B Preferred Stock, voting as a separate class, shall be entitled to elect one (1) director. The holders of Series A Preferred Stock and Common Stock, voting together as a single class, shall be entitled to elect three (3) directors. Any remaining directors shall be elected by all shareholders voting as a single class. Any vacancy in the Board occurring because of the death, resignation or removal of a director elected by the holders of the outstanding class with

voting power entitled to elect him or her shall be filled by the vote or written consent of the holders of the outstanding class with voting power entitled to elect him or her or, in the absence of action by such holders, by action of the remaining directors. A director may be removed with or without cause by the vote or consent of the holders of the outstanding class with voting power entitled to elect him or her in accordance with the California Corporations Code.

(b) **All Other Matters.** On all other matters, except as otherwise required by law or as set forth herein, the shares of Preferred Stock shall be voted on an equal basis with the shares of Common Stock at any annual or special meeting of shareholders of the Corporation, or may act by written consent in the same manner as the Common Stock, upon the following basis: each holder of shares of Preferred Stock shall be entitled to such number of votes for the Preferred stock held by him on the record date fixed for such meeting, or on the effective date of such written consent, as shall be equal to the whole number of shares of the Common Stock into which all of his shares of Preferred Stock are convertible immediately after the close of business on the record date for such meeting or the effective date of such written consent.

6. **Protective Provisions.** So long as shares of Preferred are outstanding, this Corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Preferred, voting as a separate class:

(a) authorize or issue, or obligate itself to issue, any other equity security, including any other security convertible into or exercisable for any equity security, having rights, preferences or privileges prior to or on parity with the rights, preferences and privileges of the Series A, Series B or Series C Preferred; or

(b) sell, convey, or otherwise dispose of or encumber all or substantially all of its property or business or merge into or consolidate with any other corporation (other than a wholly owned subsidiary corporation) or effect any transaction or series of related transactions in which more than 50% of the voting power of the corporation is disposed of; or

(c) effect the exchange or reclassification of the Series A, Series B or Series C Preferred Stock; or

(d) alter or change the rights, preferences or privileges of the shares of the Series A, Series B or Series C Preferred Stock so as to affect adversely the shares; or

(e) redeem or repurchase any shares of Common Stock or other Junior Stock (as defined below) other than pursuant to contractual arrangements providing for repurchase on termination of service for the Company; or

(f) declare or pay any dividend or make any other distribution on any shares of capital stock of the Corporation at any time created and issued ranking junior to Preferred with respect to the right to receive dividends and the right to the distribution of assets upon liquidation, dissolution or winding up of the Corporation (hereinafter called

"Junior Stock"), other than dividends or distributions payable solely in shares of Junior Stock, or purchase, redeem or otherwise acquire for any consideration (other than in exchange for or out of the net cash proceeds of the contemporaneous issue or sale of other shares of Junior Stock), or set aside as a sinking fund or other fund for the redemption or repurchase of any shares of Junior Stock or any warrants, rights or options to purchase shares of Junior Stock, except as specifically permitted by the terms of these Articles of Incorporation;

- (g) change the number of authorized directors of the Corporation; or
- (h) amend this Section 6.

ARTICLE IV

LIABILITY OF DIRECTORS

AND

INDEMNIFICATION OF AGENTS

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

The Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) for breach of duty to the Corporation and its shareholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject to the limits on such excess indemnification set forth in Section 204 of the California Corporations Code.

The Corporation is authorized to indemnify the directors and officers of the Corporation to the fullest extent permissible under California law.

Any amendment, repeal or modification of any provision of this Article ARTICLE IV shall not adversely affect any right or protection of a director or officers of the Corporation existing at the time of such amendment, repeal or modification."

3. The foregoing Third Amended and Restated Articles of Incorporation has been duly approved by the Board of Directors.

4. The foregoing Third Amended and Restated Articles of Incorporation has

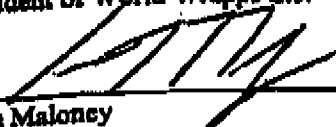
been duly approved by the required vote of shareholders in accordance with Section 902 and 903 of the California Corporations Code. The total number of outstanding shares of Common Stock of the Corporation is 14,846,208. The total number of outstanding shares of Preferred Stock of the Corporation is 803,270 shares of Series A Preferred Stock, 3,689,860 shares of Series A-1 Preferred Stock, 5,714,286 shares of Series B Preferred Stock and 19,892,863 shares of Series C Preferred Stock. There are no outstanding shares of Series B-1 Preferred Stock or Series C-1 Preferred Stock. The number of shares voting in favor of the foregoing Third Amended and Restated Articles equaled or exceeded the vote required, such required vote being more than 50% of the outstanding shares of Common Stock and more than 50% of the outstanding shares of Preferred Stock.

The undersigned further declares under penalty of perjury that the matters set forth in the foregoing certificate are true of his own knowledge.

Executed at San Francisco, California, on May 31, 2000.



David Barrows
President of World Wrapps Inc.



Sean Maloney
Secretary of World Wrapps Inc.

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