

Form PTO-1594

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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**RECORDATION FORM COVER SHEET
TRADEMARKS ONLY**

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office
65825.0101

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

1. Name of conveying party(ies):

Pixel Magic Imaging, Inc.

- Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State (Texas)
 Other _____

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Pixel Magic Imaging, Inc.

Internal Address: _____
Address: _____

Street Address: 631 Mill St.

City: San Marcos State: TX Zip: 78666

- Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Delaware
 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

3. Nature of conveyance:

- Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: 02/16/2001

4. Application number(s) or registration number(s):

A. Trademark Application No. (s) 2,007,231

B. Trademark Registration No. (s) _____

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Matthew J. Booth

Internal Address: _____

Street Address: Booth Wright L.L.P.

P.O. Box 50010

City: Austin State: TX Zip: 78763-0010

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- Enclosed
 Authorized to be charged to deposit account

8. Deposit account number:

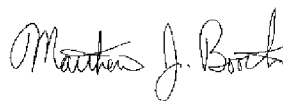
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DO NOT USE THIS SPACE

9. Signature.

Matthew J. Booth

Name of Person Signing



Signature

04/15/2004

Date

Total number of pages including cover sheet, attachments, and document: 15

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

CH \$40.00 110851 2007231

State of Delaware
Office of the Secretary of State

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER WHICH MERGES:

"PIXEL MAGIC IMAGING, INC." TEXAS CORPORATION,
WITH AND UNDS "PIXEL MAGIC IMAGING, INC." UNDER THE NAME OF
"PIXEL MAGIC IMAGING, INC.", A CORPORATION ORGANIZED AND
EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, WAS RECEIVED
AND FILED IN THIS OFFICE THE SIXTEENTH DAY OF FEBRUARY, A.D.
2001, AT 9:15 O'CLOCK
A TRUE COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE
NEW CASTLE COUNTY REGISTER OF DEEDS.

3345534 8100M
010081444



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 0979609

DATE: 02-20-01

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STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 03:15 PM 05/14/2002
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CERTIFICATE OF MERGER

of

PIXEL MAGIC IMAGING, INC.
(a Texas corporation)

WITH AND INTO

PIXEL MAGIC IMAGING, INC.
(a Delaware corporation)

Pursuant to Section 252 of the
General Corporation Law of the State of Delaware

Pixel Magic Imaging, Inc., a Delaware corporation ("Pixel Delaware"), DOES HEREBY
CERTIFY AS FOLLOWS:

FIRST: That Pixel Delaware was incorporated on February 15, 2001 pursuant to the Delaware General Corporation Law (the "Delaware Law"). Pixel Magic Imaging, Inc., a Texas corporation ("Pixel Texas") was incorporated in December 15, 1992, pursuant to Texas Law.

SECOND: That an Agreement and Plan of Merger, dated as of February 16, 2001 between Pixel Delaware and Pixel Texas (the "Plan of Merger"), setting forth the terms and conditions of the merger of Pixel Texas with and into Pixel Delaware (the "Merger"), has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the requirements of Section 252 of the Delaware Law.

THIRD: That the name of the surviving corporation of the Merger (the "Surviving Corporation") shall be Pixel Magic Imaging, Inc.

FOURTH: That pursuant to the Plan of Merger, as of the effective time of the Merger, the Certificate of Incorporation of Pixel Delaware shall be the Certificate of Incorporation of the Surviving Corporation, until amended as provided by law.

FIFTH: That an executed copy of the Plan of Merger is on file at the principal place of business of the Surviving Corporation at the following address:

Pixel Magic Imaging, Inc.
631 Mill Street
San Marcos, Texas 78666

Only Copy (AUM021)-01.1
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GRAY CARY-AUSTIN

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SIXTH: That a copy of the Plan of Merger will be furnished by Pixel Delaware, on request and without cost, to any shareholder of any constituent corporation.

SEVENTH: That prior to the effective time of the Merger, the authorized capital stock of Pixel Texas is Thirty Million (30,000,000) shares of common stock, par value \$0.01, and Five Million (5,000,000) shares of preferred stock, par value \$0.01

EIGHTH: That the Merger shall become effective upon the filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

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...AUSTIN

IN WITNESS WHEREOF, the directors of Pixel Delaware have caused this Certificate of Merger to be executed in its corporate name as of February 14, 2001.

PIXEL MAGIC IMAGING, INC.,
a Texas corporation

By: 
David Oles, President

PIXEL MAGIC IMAGING, INC.,
a Delaware corporation

By: 
David Oles, President

(Signatures Page of Certificate of Merger)



The State of Texas

SECRETARY OF STATE CERTIFICATE OF MERGER

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of Merger of

PIXEL MAGIC IMAGING, INC.
(a Texas corporation)

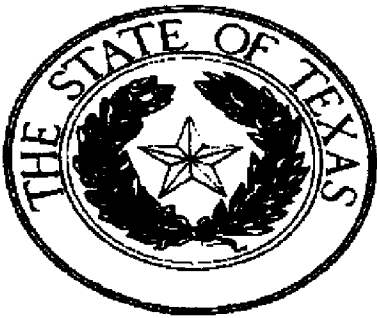
with and into

PIXEL MAGIC IMAGING, INC.
(a Delaware corporation)

have been received in this office and are found to conform to law. ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Merger.

Filed February 16, 2001

Effective February 16, 2001



Henry Cuellar
Secretary of State

**ARTICLES OF MERGER
OF
PIXEL MAGIC IMAGING, INC.
(a Texas corporation)**

FILED
In the Office of the
Secretary of State of Texas
FEB 18 2001
Corporations Section

**AND
PIXEL MAGIC IMAGING, INC.
(a Delaware corporation)**

To the Secretary of State
State of Texas

Pursuant to the provisions of the Texas Business Corporation Act, the domestic corporation and the foreign corporation herein named do hereby adopt the following articles of merger for the purpose of merging the domestic corporation with and into the foreign corporation.

1. The names of the constituent corporations are Pixel Magic Imaging, Inc., which is a corporation organized under the laws of the State of Texas, and which is subject to the provisions of the Texas Business Corporation Act ("Pixel Texas"), and Pixel Magic Imaging, Inc., which is a business corporation organized under the laws of the State of Delaware and authorized to do business under the laws of the State of Texas ("Pixel Delaware").

2. Annexed hereto and made a part hereof, is the Agreement and Plan of Merger for merging Pixel Texas with and into Pixel Delaware as approved by the directors and the shareholders of the said constituent corporations.

3. The number of shares of Pixel Texas which were outstanding at the time of the approval of the Agreement and Plan of Merger by all its shareholders and their unanimous adoption of a resolution authorizing the merger was 7,350,000 shares of Common Stock, 904,615 shares of Series A Preferred Stock, and 37,592 shares of Series A1 Preferred Stock.

4. The approval of the Agreement and Plan of Merger by the shareholders of Pixel Texas was by written consent action, which has been given in accordance with the provisions of Article 9.10 of the Texas Business Corporation Act and, if not waived, any written notice required by that Article has been given.

5. The approval of the Agreement and Plan of Merger was duly authorized by all action required by the laws under which Pixel Delaware was incorporated and by its constituent documents.

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6. Pixel Delaware will continue to exist as the surviving corporation under its present name pursuant to the provisions of the laws of the State of Delaware and will be governed by said laws.

7. Pixel Delaware will assume and be responsible for the payment of any and all franchise taxes, sales and use taxes or other fees incurred by Pixel Texas or Pixel Delaware prior to, contemporaneously with, or following the effectiveness of this merger and be obligated to pay such fees and franchises taxes if the same are not timely paid.

8. The merger herein provided for shall be effective in the State of Texas as of the time of filing with the Secretary of State on February 14, 2001.

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Executed on February 15, 2001.

PIXEL MAGIC IMAGING, INC.,
a Texas corporation

By: 
David Oles
President

PIXEL MAGIC IMAGING, INC.,
a Delaware corporation

By: 
David Oles
President

(Signature Must be Article of Incorporation)

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "Agreement and Plan of Merger") is entered into as of February 16, 2001 and was approved on February 16, 2001 by resolution adopted by the Board of Directors of Pixel Magic Imaging, Inc., a corporation of the State of Texas ("Pixel Texas"), and approved on February 16, 2000 by resolution adopted by the Board of Directors of Pixel Magic Imaging, Inc., a corporation of the State of Delaware ("Pixel Delaware").

WHEREAS, Pixel Delaware is a corporation duly organized and existing under the laws of the State of Delaware, and is the wholly-owned subsidiary of Pixel Texas;

WHEREAS, Pixel Texas is a corporation duly organized and existing under the laws of the State of Texas;

WHEREAS, on the date of this Agreement and Plan of Merger, Pixel Delaware has authority to issue 30,000,000 shares of Common Stock, par value of \$0.01 per share (the "Pixel Delaware Common Stock"), of which one thousand (1,000) shares are issued and outstanding and owned by Pixel Texas and 5,000,000 shares of Preferred Stock, par value of \$0.01 per share (the "Pixel Delaware Preferred Stock"), none of which is outstanding;

WHEREAS, on the date of this Agreement and Plan of Merger, Pixel Texas has authority to issue 30,000,000 shares of Common Stock, par value \$0.01 per share (the "Pixel Texas Common Stock") of which 7,350,000 shares are issued and outstanding, and 5,000,000 shares of Preferred Stock, par value \$0.01 per share (the "Pixel Texas Preferred Stock"), of which (i) 1,152,090 shares are designated as Series A Preferred Stock, 904,615 of which shares of Series A Preferred Stock are issued and outstanding, and (ii) 37,692 shares are designated as Series A1 Preferred Stock, 37,692 of which are issued and outstanding.

WHEREAS, the respective Boards of Directors for Pixel Delaware and Pixel Texas have determined that, for the purpose of effecting the reincorporation of Pixel Texas in the State of Delaware, it is advisable and to the advantage of said two corporations and their shareholders that Pixel Texas merge with and into Pixel Delaware upon the terms and conditions herein provided; and

WHEREAS, the respective Boards of Directors of Pixel Delaware and Pixel Texas, the shareholders of Pixel Texas, and the sole stockholder of Pixel Delaware have adopted and approved this Agreement and Plan of Merger;

NOW, THEREFORE, in consideration of the mutual agreements and covenants set forth herein, Pixel Texas and Pixel Delaware hereby agree to merge as follows:

1. **Merger.** Pixel Texas and Pixel Delaware shall, pursuant to the applicable provisions of the Texas Business Corporation Act and of the Delaware General Corporation Law be merged with and into a single corporation, to wit, Pixel Magic Imaging, Inc., a corporation of the State of Delaware, which shall be the surviving corporation upon the effective date of the

merger and which is sometimes hereinafter referred to as the "Surviving Corporation," and which shall continue to exist as said Surviving Corporation under its present name (the "Merger"). The parties hereto intend that the Merger of Pixel Texas and Pixel Delaware be a tax-free reorganization under Section 368(a)(1) of the Internal Revenue Code of 1986, as amended, and all other applicable state and federal tax laws. The Surviving Corporation shall be governed by the laws of the State of Delaware which is the jurisdiction of its organization. The separate existence of Pixel Texas shall cease upon the effective date of the Merger in accordance with the provisions of the Texas Business Corporation Act.

2. Governing Documents. The certificate of incorporation of Pixel Delaware as in force and effect upon the effective date (the "Effective Date") in Delaware shall be the certificate of incorporation of the Surviving Corporation, and said certificate of incorporation shall continue in full force and effect until amended and changed in the manner prescribed by the laws of Delaware. The by-laws of Pixel Delaware as in force and effect upon the effective date of the Merger will be the by-laws of the surviving corporation and will continue in full force and effect until changed, altered or amended as therein provided and in the manner prescribed by the provisions of the laws of Delaware.

3. Directors and Officers. The directors and officers of Pixel Delaware on the Effective Date shall be the members of the first Board of Directors and the first officers, respectively, of the Surviving Corporation, all of whom shall hold their directorships and offices until the election and qualification of their respective successors or until their tenure is otherwise terminated in accordance with the by-laws of the Surviving Corporation.

4. Succession. On the Effective Date, Pixel Delaware shall succeed to Pixel Texas in the manner of and as more fully set forth in Section 259 of the General Corporation Law of the State of Delaware.

5. Further Assurances. From time to time, as and when required by Pixel Delaware or by its successors and assigns, there shall be executed and delivered on behalf of Pixel Texas such deeds and other instruments, and there shall be taken or caused to be taken by it such further and other action, as shall be appropriate or necessary in order to vest, perfect or confirm, of record or otherwise, in Pixel Delaware, the title to and possession of all the property, interests, assets, rights, privileges, immunities, powers, franchises and authority of Pixel Texas, and otherwise to carry out the purposes of this Agreement and Plan of Merger, and the officers and directors of Pixel Delaware are fully authorized in the name and on behalf of Pixel Texas or otherwise to take any and all such action and to execute and deliver any and all such deeds and other instruments.

6. Securities Exchange.

a. Exchange and conversion of securities. Upon the Effective Date, by virtue of the Merger and without any action on the part of the holder thereof (i) each share of Pixel Texas Common Stock outstanding immediately prior thereto shall be changed and converted into one (1) fully paid nonassessable share of Pixel Delaware Common Stock, (ii) each share of Pixel Texas Preferred Stock outstanding immediately prior thereto shall be changed and converted into

one (1) fully paid nonassessable share of Pixel Delaware Preferred Stock, (iii) each option to purchase Pixel Texas Common Stock or Pixel Texas Preferred Stock outstanding immediately prior thereto shall be changed and converted into an option to purchase the same number of shares of Pixel Delaware Common Stock or Pixel Delaware Preferred Stock, (iv) each warrant to purchase Pixel Texas Common Stock or Pixel Texas Preferred Stock outstanding immediately prior thereto shall be changed and converted into a warrant to purchase the same number of shares of Pixel Delaware Common Stock or Pixel Delaware Preferred Stock; and (v) each promissory note convertible into Pixel Texas Common Stock or Pixel Texas Preferred Stock outstanding immediately prior thereto shall be changed and converted into a promissory note convertible into the same number of shares of Pixel Delaware Common Stock or Pixel Delaware Preferred Stock.

b. Stock Plan. Upon the Effective Date, Pixel Delaware shall adopt and assume in its entirety the Pixel Texas 1999 Incentive Stock Plan (as amended to date) (the "Plan") and each option issued under the Plan to purchase shares of Pixel Texas Common Stock outstanding immediately prior to the Effective Date shall be changed and converted into an option to purchase the same number of shares of Pixel Delaware Common Stock.

c. Fractional Shares. No fractional shares which a Pixel Delaware stockholder would otherwise be entitled to receive by reason of the exchange of Pixel Texas stock for Pixel Delaware stock shall be issued.

7. Stock Certificates. On and after the Effective Date, all of the outstanding certificates which prior to that time represented shares of Pixel Texas stock shall be deemed for all purposes to evidence ownership of and to represent the shares of Pixel Delaware stock into which the shares of Pixel Texas stock represented by such certificates have been converted as herein provided. The registered owner on the books and records of Pixel Delaware or its transfer agent of any such outstanding stock certificate shall, until such certificate has been surrendered for transfer or otherwise accounted for to Pixel Delaware or its transfer agent, have and be entitled to exercise any voting and other rights with respect to and to receive any dividend and other distributions upon the shares of Pixel Delaware stock evidenced by such outstanding certificate as above provided.

8. Outstanding Common Stock of Pixel Delaware. Forthwith upon the Effective Date, the one thousand (1,000) shares of Pixel Delaware Common Stock presently issued and outstanding in the name of Pixel Texas shall be cancelled and retired and resume the status of authorized and unissued shares of Pixel Delaware Common Stock, and no shares of Pixel Delaware Common Stock or other securities of Pixel Delaware shall be issued in respect thereof.

9. Shareholder Approval. This Agreement and Plan of Merger herein made and approved shall be submitted to the shareholders of Pixel Texas for their approval or rejection in the manner prescribed by the provisions of the Texas Business Corporation Act and to the sole stockholder of Pixel Delaware for its approval or rejection in the manner prescribed by the Delaware General Corporation Law.

10. Regulatory Filings. In the event this Agreement and Plan of Merger shall have been approved by the shareholders of Pixel Texas and the merger shall have been authorized by their duly adopted resolution in the manner prescribed by the provisions of the Texas Business Corporation Act, and in the event that this Agreement and Plan of Merger shall have been approved by the sole stockholder of Pixel Delaware in compliance with the provisions of the Delaware General Corporation Law, Pixel Texas and Pixel Delaware hereby stipulate that they will cause to be executed and filed and/or recorded any document or documents prescribed by the laws of the State of Texas and of the State of Delaware, and that they will cause to be performed all necessary acts therein and elsewhere to effectuate the Merger.

11. Government Fees and Franchise Taxes. Pixel Delaware hereby covenants and agrees to assume responsibility for the payment of all fees and franchise taxes required by law, and Pixel Delaware further covenants and agrees to pay any and all such fees and franchise taxes, if the same are not timely paid.

12. Amendment. At any time before or after approval and adoption by the sole stockholder of Pixel Delaware and shareholders of Pixel Texas, this Agreement and Plan of Merger may be amended in any manner as may be determined in the judgment of the respective Boards of Directors of Pixel Delaware and Pixel Texas to be necessary, desirable or expedient in order to clarify the intention of the parties hereto or to effect or facilitate the purposes and intent of this Agreement and Plan of Merger.

13. Abandonment. At any time before the Effective Date, this Agreement and Plan of Merger may be terminated and the Merger may be abandoned by the Board of Directors of either Pixel Texas or Pixel Delaware or both, notwithstanding approval of this Agreement and Plan of Merger by the shareholders of Pixel Texas and the sole stockholder of Pixel Delaware.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Agreement and Plan of Merger, having first been duly approved by resolution of the Board of Directors of Pixel Texas and Pixel Delaware, is hereby executed on behalf of each of said two (2) corporations by their respective officers thereunto duly authorized.

PIXEL MAGIC IMAGING, INC.
a Delaware corporation

By: David Oles
David Oles
President

PIXEL MAGIC IMAGING, INC.
a Texas corporation

By: David Oles
David Oles
President

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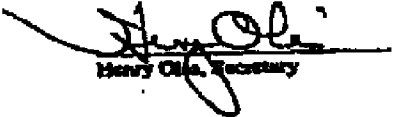
CERTIFICATE OF SECRETARY

OF

PIXEL MAGIC IMAGING, INC.
(a Delaware corporation)

I, Henry Oles, the Secretary of Pixel Magic Imaging, Inc., a Delaware corporation (the "Corporation"), hereby certify that the Agreement and Plan of Merger to which this Certificate is attached was duly signed on behalf of the Corporation by a duly authorized officer and was duly approved and adopted by a unanimous vote of the outstanding stock entitled to vote thereon by written consent of the sole stockholder of the Corporation dated February 16, 2001.

Executed effective on the 16 day of February, 2001.


Henry Oles, Secretary

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