

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	CHANGE OF NAME		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
eProject.com, Inc.		09/14/2001	CORPORATION: WASHINGTON
RECEIVING PARTY DATA			
Name:	eProject, Inc.		
Street Address:	1008 Western Avenue, Suite 500		
City:	Seattle		
State/Country:	WASHINGTON		
Postal Code:	98104		
Entity Type:	CORPORATION: WASHINGTON		
PROPERTY NUMBERS Total: 4			
Property Type	Number	Word Mark	
Registration Number:	2515884	EPROJECT.COM	
Registration Number:	2542200	E EPROJECT.COM	
Registration Number:	2542201	E PROJECT.COM	
Registration Number:	2521357	EPROJECT.COM	
CORRESPONDENCE DATA			
Fax Number:	(206)628-7699		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	(206) 628-7720		
Email:	catherinemaxson@dwt.com		
Correspondent Name:	Catherine E. Maxson		
Address Line 1:	1501 Fourth Avenue, Suite 2600		
Address Line 4:	Seattle, WASHINGTON 98101		
NAME OF SUBMITTER:	Kristine Fyfe, Davis Wright Tremaine LLP		
Signature:	/kristinefyfe/		

CH \$115.00 2515884

Date:

04/26/2006

Total Attachments: 19

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STATE of WASHINGTON



SECRETARY of STATE

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF AMENDMENT

to

EPROJECT.COM, INC.

a Washington Profit corporation. Articles of Amendment were filed for record in this office on the date indicated below.

Amended and Restated Articles and Changing name to **EPROJECT, INC.**

UBI Number: 601 805 216

Date: November 09, 2001



*Given under my hand and the Seal of the State
of Washington at Olympia, the State Capital*



Sam Reed, Secretary of State
2-561245-8

FILED
SECRETARY OF STATE

NOV 09 2001

STATE OF WASHINGTON

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
EPROJECT, INC.**

**ARTICLE I
NAME**

The name of the corporation is eProjct, Inc. (the "Corporation").

**ARTICLE II
AUTHORIZED SHARES**

2.1 Authorized Capital. The total authorized number of shares of the Corporation is One Hundred Million (100,000,000) shares; Sixty Million (60,000,000) shares of common stock without par or ascribed value (the "Common Stock"); Forty Million (40,000,000) shares of preferred stock without par or ascribed value (the "Preferred Stock").

2.2 Issuance of Preferred Stock in Series. The Preferred Stock may be issued from time to time in one or more series in any manner permitted by law and the provisions of these Articles of Incorporation, as determined from time to time by the Board of Directors and stated in the resolution or resolutions providing for the issuance thereof, prior to the issuance of any shares thereof. The Board of Directors shall have the authority to fix and determine and to amend, subject to the provisions hereof, the designations, powers, preferences and relative, participating, optional or other rights, if any, and qualifications, limitations or other restrictions of the shares of any series that is wholly unissued or to be established and the number of shares constituting any such series. Unless otherwise specifically provided in the resolution establishing any series, the Board of Directors shall further have the authority, after the issuance of shares of a series whose number it has designated, to amend the resolution establishing such series to decrease the number of shares of that series, but not below the number of shares of such series then outstanding.

(a) **Dividends.** The holders of shares of the Preferred Stock shall be entitled to receive dividends, out of the funds of the Corporation legally available therefor, at the rate and at the time or times as may be provided by the Board of Directors in designating a particular series of Preferred Stock. The holders of the Preferred Stock shall not be entitled to receive any dividends thereon, unless otherwise provided by the Board of Directors in designating a particular series of Preferred Stock.

(b) **Liquidation.** In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, then, before any distribution shall be made to the holders of the Common Stock, the holders of the Preferred Stock at the time outstanding shall be entitled to be paid the preferential amount or amounts per share as may be provided by the Board of Directors in designating a particular series of Preferred Stock, plus dividends accrued thereon to the date of such payment. In designating a particular series of

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Preferred Stock, the Board of Directors may also provide that such series is senior, on a par with or subordinate in order of priority to any other existing or later issued series of Preferred Stock in respect of distribution of amounts upon the liquidation, dissolution or winding up of the affairs of the Corporation. The holders of the Preferred Stock shall not be entitled to receive any distributive amounts upon the liquidation, dissolution or winding up of the affairs of the Corporation, unless otherwise provided by the Board of Directors in designating a particular series of Preferred Stock.

(c) **Conversion.** Shares of Preferred Stock may be convertible to shares of Common Stock at such rate and subject to such adjustments as may be provided by the Board of Directors in designating a particular series of Preferred Stock.

(d) **Redemption.** The Preferred Stock may be redeemable in such amounts, and at such time or times as may be provided by the Board of Directors in designating a particular series of Preferred Stock. In any event, such Preferred Stock may be repurchased by the Corporation only to the extent legally permissible.

(e) **Voting Rights.** Holders of Preferred Stock shall have such voting rights as may be provided by the Board of Directors in designating a particular series of Preferred Stock.

2.3 Rights, Preferences and Restrictions of Series A Preferred Stock. The first series of Preferred Stock shall be designated "Series A Preferred Stock" and shall consist of fifteen million (15,000,000) shares (the "Series A Preferred"). The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred are as set forth below in this Section 2.3.

(a) **Dividend Provisions.** The holders of shares of Series A Preferred shall be entitled to receive noncumulative dividends at an annual rate of 8% of the purchase price paid per share out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock) in respect of the Common Stock of this Corporation, when, as and if declared by the Board of Directors. No dividend (other than a dividend that is payable solely in shares of Common Stock or securities exercisable for a convertible into shares of Common Stock) shall be paid or declared on the Common Stock unless a dividend of like amount (calculated on an as-if converted to Common Stock basis) shall be declared and paid on the outstanding shares of Series A Preferred.

(b) **Liquidation.**

(i) **Preference.** In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, subject to the rights of any series of Preferred Stock that may from time to time come into existence, the holders of the Series A Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) the purchase price paid per share (the "Original Series A Issue Price"), and (ii) declared but unpaid dividends on such share, if any. If upon any

liquidation, dissolution or winding up of the Corporation, the available funds and assets of the Corporation shall be insufficient to permit the payment to holders of the Series A Preferred of their full preferential amounts described in this subsection 2.3(b)(i), then such funds and assets shall be distributed ratably among the holders of the then outstanding Series A Preferred. In lieu of receiving such preference, any holder of Series A Preferred may exercise its rights under Section 2.3(c) to convert to Common Stock.

(ii) **Participation Rights.** If there are any available funds or assets remaining after the payment or distribution (or the setting aside for payment or distribution) to the holders of the Series A Preferred of their full preferential amounts described in Section 2.3(b)(i), then all such remaining available funds and assets of the Corporation shall be distributed among the holders of the then outstanding Common Stock and the Series A Preferred pro rata according to the number of shares of Common Stock held by such holders, where, for this purpose, holders of shares of Series A Preferred will be deemed to hold (in lieu of their Series A Preferred) the greatest whole number of shares of Common Stock then issuable upon conversion in full of such shares of Series A Preferred pursuant to Section 2.3(c), until such time as each holder of the then outstanding Series A Preferred shall have received, and distributions made under Section 2.3(b)(i) and this Section 2.3(b)(ii), an aggregate amount equal to two times the Original Series A Issue Price. After such distribution is paid to all holders of Series A Preferred, then the holders of the then outstanding Common Stock shall be entitled to receive all the remaining available funds and assets (if any) pro rata according to the number of outstanding shares of Common Stock then held by each of them.

(iii) **Mergers or Sale of Assets.** For purposes of this Section 2.3, a merger or consolidation of the Corporation with or into any other corporation or corporations, or the merger of any other corporation or corporations into the Corporation, in which consolidation or merger the shareholders of the Corporation receive distributions in cash or securities of another corporation or corporations as a result of such consolidation or merger, 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, unless the shareholders of the Corporation receive in such consolidation merger or sale of assets more than 50% of the voting equity securities of the successor or surviving corporation.

(iv) **Non-Cash Consideration.** In the event of a deemed liquidation as described in Section 2.3(b)(i) above, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value as determined by the Corporation's Board of Directors in good faith.

(c) **Conversion.** The holders of the Series A Preferred shall have conversion rights as follows (the "Conversion Rights"):

(i) **Right to Convert.** Subject to Section 2.3(c)(iii), each share of Series A 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 such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Issue Price by the Series A Conversion Price (as

defined below) applicable to such share, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. The conversion price per share of Series A Preferred (the "Series A Conversion Price") shall initially be the Original Series A Issue Price. The Series A Conversion Price shall be subject to adjustment as set forth in Section 2.3(c)(iv).

(ii) **Automatic Conversion.** Each share of Series A Preferred shall automatically be converted into shares of Common Stock at the Series A Conversion Price at the time in effect for such share immediately upon the earlier of (1) the Corporation's sale of its Common Stock in a firmly underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act") with aggregate proceeds of at least \$15 million (a "Qualified IPO"), or (2) the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Series A Preferred voting together as a class, or the prior conversion of a majority of the shares of Series A Preferred.

(iii) **Mechanics of Conversion.** Before any holder of Series A Preferred shall be entitled to convert the same into shares of Common Stock under Section 2.3(c)(i) above, or to receive certificates representing the Shares of Common Stock issuable on automatic conversion of the Series A Preferred under Section 2.3(c)(ii) above, he, she or it shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred, and, in case of conversion under Section 2.3(c)(i), shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of the Series A Preferred, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made (1) in the case of conversion under Section 2.3(c)(i), immediately prior to the close of business on the date of such surrender of the shares of the Series A Preferred to be converted, (2) in the case of conversion under 2.3(c)(ii)(1) above, immediately prior to the date of consummation of the IPO, and (3) in the case of conversion under Section 2.3(c)(ii)(2) above, as of the date specified in the written consent or agreement referenced therein; the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act the conversion may, at the option of any holder tendering the Series A Preferred for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive Common Stock upon conversion of the Series A Preferred shall not be deemed to have converted such Series A Preferred until immediately prior to the closing of such sale of securities.

(iv) **Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations.** The Series A Conversion Price shall be subject to adjustment from time to time as follows:

(A) **Issuance of Additional Stock below Purchase Price.** If the Corporation shall issue, after the date upon which any shares of Series A Preferred were first issued (the "Series A Purchase Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Series A Conversion Price in effect immediately prior to the issuance of such Additional Stock, the Series A Conversion Price in effect immediately prior to each such issuance shall automatically be adjusted as set forth in this Section 2.3(c)(iv)(A), unless otherwise provided in this Section 2.3(c)(iv)(A).

(a) **Adjustment Formula.** Whenever the Series A Conversion Price is adjusted pursuant to this Section 2.3(c)(iv)(A), the new Series A Conversion Price shall be determined by multiplying the Conversion Price then in effect by a fraction, (x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (the "Outstanding Common") plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price; and (y) the denominator of which shall be the number of shares of Outstanding Common plus the number of shares of such Additional Stock. For purposes of the foregoing calculation, the term "Outstanding Common" shall include shares of Common Stock issuable upon exercise of securities convertible into or exercisable for Common Stock which are outstanding immediately prior to the event requiring a recalculation of the Series A Conversion Price.

(b) **Definition of "Additional Stock".** For purposes of this Section 2.3(c)(iv)(A), "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 2.3(c)(iv)(A)(e)) by the Corporation after the Series A Purchase Date) other than:

i) shares of Common Stock, or options, warrants or rights therefor, granted or issued hereafter to employees, consultants, officers or directors of the Company pursuant to stock purchase or stock option plans or agreements approved by the Board of Directors (including options granted prior to the Series A Purchase Date);

ii) shares of Common Stock or Preferred Stock issued pursuant to the acquisition of another corporation or entity by the Corporation by consolidation, merger, purchase of all or substantially all of the assets, or other reorganization in which the Corporation acquires, in a single transaction or series of related transactions, all or substantially all of the assets of such other corporation or entity or fifty percent (50%) or more of the voting power of such other corporation or entity or fifty percent (50%) or more of the equity ownership of such other entity;

iii) any shares of the Corporation's Common Stock or Preferred Stock (and/or options or warrants therefor) issued or issuable pursuant to key strategic partnering arrangements (if in transactions with other than primarily equity financing purposes) or to parties providing the Corporation with equipment leases, real property leases, loans, credit lines, guaranties of indebtedness, cash price reductions or similar financing, in each case under arrangements approved by the Board of Directors;

- upon conversion of the Series A Preferred;
- Qualified IPO;
- currently outstanding options, warrants, notes, or other rights to acquire securities of the Corporation; and
- transactions.
- iv) shares of Common Stock issued or issuable
 - v) shares of Common Stock issued in a
 - vi) shares of Common Stock issued pursuant to
 - vii) stock splits, stock dividends or like

(c) **No Fractional Adjustments.** No adjustment of the Conversion Price for the Series A Preferred 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 either taken into account in any subsequent adjustment made prior to three years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three years from the date of the event giving rise to the adjustment being carried forward.

(d) **Determination of Consideration.** In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof. In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(e) **Deemed Issuances of Common Stock.** In the case of the issuance (whether before, on or after the Series A Purchase Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this Section 2.3(c)(iv):

i) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in Section 2.3(c)(iv)(A)(d)), if any, received by the Corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

ii) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in Section 2.3(c)(iv)(A)(d).

iii) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Series A Conversion Price, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

iv) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Series A Conversion Price, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(I) **No Increased Conversion Price.** Notwithstanding any other provisions of this Section 2.3(c)(iv), except to the limited extent provided for in Sections 2.3(c)(iv)(B) and 2.3(c)(iv)(C), no adjustment of the Series A Conversion Price pursuant to this Section 2.3(c)(iv) shall have the effect of increasing the Series A Conversion Price above the Series A Conversion Price in effect immediately prior to such adjustment.

(B) **Stock Splits and Dividends.** In the event the Corporation should at any time or from time to time after the Series A Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock

(hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series A Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in Section 2.3(c)(iv)(A)(c) as provided in Section 2.3(c)(iv)(C) below.

(C) Reverse Stock Splits. If the number of shares of Common Stock outstanding at any time after the Series A Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Series A Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(v) Other Distributions. In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 2.3(c)(iv), then, in each such case for the purpose of this Section 2.3(c)(v), the holders of Series A 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 Stock of the Corporation into which their shares are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(vi) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 2.3(c)) provision shall be made so that the holders of the Series A Preferred shall thereafter be entitled to receive upon conversion of such Series A Preferred the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 2.3(c) with respect to the rights of the holders of such Series A Preferred after the recapitalization to the end that the provisions of this Section 2.3 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of such Series A Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(vii) No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, 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 2.3(c) 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 Preferred Stock against impairment.

(viii) No Fractional Shares and Certificate as to Adjustments.

(A) No fractional shares shall be issued upon the conversion of any share or shares of the Series A Preferred, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. The number of shares issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(B) Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section 2.3(c), the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A 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 Series A Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for the Series A Preferred at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of the Series A Preferred.

(ix) Notices of Record Date. In the event of 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 (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Series A Preferred, at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(x) 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, 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 such series of 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 such series of Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, 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 purposes, including, without limitation, engaging in best efforts to obtain

the requisite shareholder approval of any necessary amendment to these Articles of Incorporation.

(xi) **Notices.** Any notice required by the provisions of this Section 2.3(c) to be given to the holders of shares of Series A Preferred shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

(d) **Redemption.** The shares of Series A Preferred shall be redeemable as follows:

(i) **No Call.** The Corporation shall not have the right to call for redemption all or any part of the Preferred Stock, but may, pursuant to the terms of this Section 2.3(d), have the obligation to redeem the Preferred Stock as provided herein.

(ii) **Option to Require Redemption.** On November 1, 2006, and subject to the receipt by the Company of six month prior written notice from the holders of a majority of the Series A Preferred then outstanding of the exercise of their rights under this Section 2.3(d)(ii), the Corporation shall redeem all of the outstanding Series A Preferred in three (3) equal annual installments in accordance with the provisions of this Section 2.3(d)(ii).

(iii) **Redemption Price.** The redemption price per share of the Series A Preferred shall be the Original Series A Issue Price plus any accrued and unpaid dividends (the "Series A Redemption Price"). The Series A Redemption Price shall be appropriately adjusted for any subdivision, or combination of outstanding shares applicable to the Series A Preferred.

(iv) **Notice of Redemption.** Upon receiving a notice requesting redemption pursuant to Section 2.3(d)(ii) or if the Corporation breaches the protective provision set forth in Section 2.3(f)(ix), and such breach is not cured within 30 days, the Corporation shall, within fifteen (15) business days, mail a written notice (a "Redemption Notice"), postage prepaid, to each holder of Series A Preferred of the Corporation. Each Redemption Notice shall state that a redemption pursuant to this Section 2.3(d) has been requested or that the event outlined in Section 2.3(f)(ix) has occurred and shall specify the date such redemption shall begin, which date shall be at least thirty (30) days after the redemption request in the case of redemption pursuant to Section 2.3(d)(ii) or at least 30 days after the Corporation breaches the protective provision set forth in Section 2.3(f)(ix) (the "Redemption Date"). Each holder of Series A Preferred, and in the case of a redemption pursuant to Section 2.3(d)(ii) each holder of Series A Preferred who has not requested redemption pursuant to Section 2.3(d)(ii) shall have until the close of business on the date five (5) business days prior to the Redemption Date to request a redemption of such holder's Series A Preferred (a "Redemption Request"). A Redemption Request in response to a Redemption Notice may be made in writing or by telephone, provided, that, a telephonic response must be confirmed promptly in writing. No defect in the Redemption Notice or any response thereto or in the mailing or publication thereof shall affect the validity of the redemption proceeding with respect to the Corporation or any holder of Series A Preferred, provided, that, the Corporation or such holder has timely received actual notice of the redemption.

(v) **Surrender of Stock.** On or after the Redemption Date, each holder of Series A Preferred who requests redemption shall surrender the certificate or certificates representing such holder's shares of Series A Preferred to the Corporation at any place designated for such surrender in the Redemption Notice and shall then be entitled to receive payment in cash, by wire transfer or check, of the Series A Redemption Price for each share of Series A Preferred so redeemed.

(vi) **Insufficient Redemption.** If less than all of the shares represented by a share certificate are to be redeemed, the Corporation shall issue a new certificate representing the shares not redeemed.

(vii) **Failure to Redeem.** If the Corporation shall fail to discharge its obligation to redeem shares of Preferred Stock pursuant to this Section 2.3(d)(ii) or Section 2.3(d)(ix) (the "Redemption Obligation"), the Redemption Obligation shall be discharged, pro rata with respect to each holder based on the number of shares requested to be redeemed, as soon as the Corporation is permitted by law to discharge such Redemption Obligation. If and so long as any Redemption Obligation shall not be fully discharged, the Corporation shall not, directly or indirectly, declare or pay any dividend or make any distribution on, or purchase, redeem or satisfy any mandatory redemption, sinking fund or other similar obligation in respect of, any other securities of the Corporation. If and so long as any Redemption Obligation shall not be fully discharged, the Corporation shall not, directly or indirectly, declare or pay any dividend or make any distribution on, or purchase, redeem or satisfy any mandatory redemption, sinking fund or other similar obligation in respect of any securities ranking on a parity with either the Series A Preferred ("parity securities"), unless such dividends or distributions on the shares of Series A Preferred and the shares of such parity securities are declared and paid on a pro rata basis, or, in the event any mandatory redemption, sinking fund or other similar obligation is then undischarged with respect to such parity securities, unless shares of Series A Preferred and such parity securities are redeemed on a pro rata basis.

(viii) **Status of Redeemed Shares.** From and after the Redemption Date, unless default shall be made by the Corporation in payment of the Series A Redemption Price, at the time and place specified in the Redemption Notice, all dividends on shares of Series A Preferred which have been redeemed shall cease to accrue and all rights of holders of such shares shall cease, except the right of holders of such shares to receive the Series A Redemption Price against delivery of certificates representing shares of Series A Preferred, and such shares shall cease to be outstanding.

(ix) **Special Redemption Trigger.** Notwithstanding any other provision contained in these Articles, if the Corporation breaches the protective provision set forth in Section 2.3(f)(ix), and such breach is not cured within 30 days, the Corporation shall provide the holder of Series A Preferred a Redemption Notice pursuant to the provisions of Section 2.3(d)(iv). Upon the Corporation's receipt of a Redemption Request, the Corporation shall commence redemption on a monthly basis of the outstanding Series A Preferred by paying to each holder of Series A Preferred in 36 equal monthly installments the Series A Redemption Price multiplied by the number of shares of Series A Preferred held by such holder. The

provisions of this Section 2.3(d) shall govern the Corporation's failure to redeem and the status of redeemed shares redeemed or to be redeemed pursuant to this Section 2.3(d)(ix).

(e) Voting Rights.

(i) General. Except as otherwise required by Section 2.3(e)(iii) or Section 2.3(f) below, the holder of each share of Series A Preferred shall have the right to one vote for each share of Common Stock into which such Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with the bylaws of the corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Series A Preferred held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(ii) Board of Directors and Voting for Directors. The number of directors constituting the Board of Directors shall be five (5). Subject to Section 2.3(e)(iii) below, the holders of Series A Preferred, voting as a separate class, shall be entitled to nominate and elect two (2) directors (each, a "Series A Director") and the holders of Common Stock, voting as a separate class, shall be entitled to nominate and elect two (2) directors (each, a "Common Stock Director"). The holders of Common Stock and Preferred, voting together, shall be entitled to elect the remaining director (the "Other Director"). Any vacancy on the Board of Directors occurring because of death, resignation or removal of a director elected by the holders of any class or series of shares shall be filled by the vote or written consent of the holders of a majority of the shares of such class or series. Except as otherwise provided above, any vacancy on the Board of Directors, including a vacancy resulting from an increase in the number of directors, shall be filled by the Board of Directors in accordance with the Bylaws. The right to cumulate votes in the election of directors shall not exist with respect to shares of capital stock of the Corporation.

(iii) Special Voting Rights. So long as any shares of the Series A Preferred remain outstanding, in the event of a failure of the Corporation to redeem shares of the Series A Preferred as required pursuant to Section 2.3(d) hereof (an "Event of Default"), then the holders of the Series A Preferred shall (immediately upon the giving of written notice to the Corporation by the holders of a majority of the then outstanding shares of Series A Preferred), be entitled to elect the smallest number of directors that shall constitute a majority of the authorized number of directors of the Corporation. Upon the election by the holders of the Series A Preferred of the directors that they are entitled to elect as hereinabove provided, the terms of office of all persons who were theretofore directors of the Corporation shall forthwith terminate. If, after the election of the Board of Directors pursuant to this Section 2.3(e)(iii), the Event of Default is cured, then the holders of the Series A Preferred shall be divested of the special voting rights specified in this section. However, the special voting rights of this section shall again accrue to the holders of the shares of the Series A Preferred in case of any later occurrence of an

Event of Default. Upon the termination of any such special voting rights as hereinabove provided, the Board of Directors shall promptly call a special meeting of the shareholders at which all directors will be elected in accordance with the Corporation's Bylaws or any voting agreements, and the terms of office of all persons who are then directors of the Corporation shall terminate immediately upon the election of their successors.

(iv) Mechanics of Special Voting Rights. Whenever under the provisions of Section 2.3(e)(iii) the right shall have accrued to the holders of the Series A Preferred to vote as a single class to elect a majority of the Corporation's directors, the Board of Directors shall, within ten (10) days after delivery to the Corporation at its principal office of a request to such effect by the holders of a majority of the then outstanding shares of the Series A Preferred, call a special meeting of shareholders for the election of directors, to be held upon not less than ten (10) nor more than twenty (20) days' notice to such holders. If such notice of meeting is not given within the ten (10) days required above, the holders of Series A Preferred requesting such meeting may also call such meeting and for such purposes shall have access to the stock books and records of the Corporation. At any meeting so called or at any other meeting held while the holders of shares of Series A Preferred shall have the voting power provided in Section 2.3(e)(iii), the holders of a majority of the shares of Series A Preferred present in person or by proxy or voting by written consent, shall be sufficient to constitute a quorum for the election of directors as herein provided. In the case of any vacancy in the office of a director occurring among the directors elected by the holders of Series A Preferred pursuant to Section 2.3(e)(iii), the remaining directors so elected by that class may by affirmative vote of a majority thereof (or the remaining director so elected if there be but one) elect a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant, provided that if there are no remaining directors so elected by that class, the vacancies may be filled by the affirmative vote of the holders of a majority of the shares of Series A Preferred, given either at a special meeting of such shareholders duly called for that purpose or pursuant to a written consent of shareholders. Any directors who shall have been elected by the holders of Series A Preferred or by any directors so elected as provided in the next preceding sentence hereof may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of the holders of a majority of the shares of the Series A Preferred, given either at a special meeting of such shareholders duly called for that purpose or pursuant to a written consent of shareholders, and any vacancy thereby created may be filled by the holders of Series A Preferred represented at such meeting or pursuant to such written consent.

(f) Protective Provisions. The 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 Series A Preferred:

(i) effect any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries, or any consolidation or merger involving the Corporation or any of its subsidiaries, or any reclassification or other change of any stock, or any recapitalization of the Corporation;

(ii) amend its Articles of Incorporation or Bylaws in any manner that would alter or change the rights, preferences or privileges of the Series A Preferred so as to materially and adversely affect such shares;

(iii) increase or decrease the number of authorized shares of Series A Preferred;

(iv) authorize or issue, or obligate itself to issue, any other equity security, including any other security convertible or exercisable for any equity security, having rights or preferences senior to or on parity with the Series A Preferred as to dividend rights, liquidation preferences or voting;

(v) increase or decrease the size of the Board of Directors of the Corporation;

(vi) redeem, purchase or otherwise acquire for value (or pay into or set aside for a sinking fund for such purpose) any of the Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary pursuant to agreements under which the Corporation has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment;

(vii) increase the number of shares of Common Stock issuable upon exercise of stock options under the Corporation's Stock Option Plan above 3,000,000 unless such increase is approved by a majority of the Board of Directors;

(viii) authorize or obligate the Corporation to pay any dividend or make any other distribution in respect of the Company's capital stock (other than a dividend payable solely in shares of Common Stock); or

(ix) permit the difference between (a) the sum of the Corporation's accounts receivables plus its cash and cash equivalents and (b) the sum of Corporation's accounts payable plus its short term debt (excluding any of the Corporation's debt to Silicon Valley Bank) to exceed \$250,000.

ARTICLE III PREEMPTIVE RIGHTS

Except as otherwise provided in the Articles of Incorporation, or by agreement in which the Corporation so provides, no preemptive rights to acquire additional securities issued by the Corporation shall exist with respect to shares of Common Stock, or securities convertible into shares of Common Stock.

ARTICLE IV CUMULATIVE VOTING

The right to cumulate votes in the election of Directors shall not exist with respect to shares of stock of this Corporation.

ARTICLE V INDEMNIFICATION OF DIRECTORS OFFICERS EMPLOYEES AND AGENTS

5.1 The capitalized terms in this Article V shall have the meanings set forth in RCW 2313.08.500.

5.2 The Corporation shall indemnify and hold harmless each individual who is or was serving as a Director or officer of the Corporation or who, while serving as a Director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against any and all Liability incurred with respect to any Proceeding to which the individual is or is threatened to be made a Party because of such service, and shall make advances of reasonable Expenses with respect to such Proceeding, to the fullest extent permitted by law, without regard to the limitations in RCW 23B.08.510 through 23B.08.550; provided, however, that the payment of Expenses in advance of the final disposition of a Proceeding shall be made upon delivery to the Corporation of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced if it shall ultimately be determined that such Director or officer is not entitled to be indemnified under this Article or otherwise; provided further, that no such indemnity shall indemnify any Director or officer from or on account of (1) acts or omissions of the Director or officer finally adjudged to be intentional misconduct or a knowing violation of law; (2) conduct of the Director or officer finally adjudged to be in violation of RCW 23B.08.310; or (3) any transaction with respect to which it was finally adjudged that such Director or officer personally received a benefit in money, property, or services to which the Director or officer was not legally entitled. Except as provided in Subsection (f) of this Article, the Corporation shall not indemnify a Director or officer in connection with a Proceeding (or part thereof) initiated by the Director or officer unless such Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

5.3 The Corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the Corporation or, who, while a director, officer, employee, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise against Liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director, officer, employee, or agent, whether or not the Corporation would have power to indemnify the individual against such Liability under RCW 23B.08.510 or 23B.08.520.

5.4 If, after the effective date of this Article V, the Act is amended to authorize further indemnification of Directors or officers, then Directors and officers of the Corporation shall be indemnified to the fullest extent permitted by the Act as so amended.

5.5 To the extent permitted by law, the rights to indemnification and advance of reasonable Expenses conferred in this Article V shall not be exclusive of any other right which any individual may have or hereafter acquire under any statute, provision of the Bylaws, agreement, vote of shareholders or disinterested directors, or otherwise. The right to indemnification conferred in this Article V shall be a contract right upon which each Director or officer shall be presumed to have relied in determining to serve or to continue to serve as such. Any amendment to or repeal of this Article V shall not adversely affect any right or protection of a Director or officer of the Corporation for or with respect to any acts or omissions of such Director or officer occurring prior to such amendment or repeal.

5.6 If a claim under this Article is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty (20) days, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the Director or officer shall be entitled to be paid also the expense of prosecuting such claim. Neither the failure of the Corporation (including its Board of Directors, its shareholders or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors, its shareholders or independent legal counsel) that the Director or officer is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the Director or officer is not so entitled.

5.7 If the Corporation indemnifies or advances expenses to a director or officer pursuant to this Article V in connection with a proceeding by or in the right of the Corporation, the Corporation shall report the indemnification or advance in writing to the shareholders with or before the notice of the next shareholders' meeting.

5.8 If any provision of this Article V or any application thereof shall be invalid, unenforceable, or contrary to applicable law, the remainder of this Article IV, and the application of such provisions to individuals or circumstances other than those as to which it is held invalid, unenforceable, or contrary to applicable law, shall not be affected thereby.

ARTICLE VI SHAREHOLDER ACTION BY CONSENT

Any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting or a vote if either:

(i) the action (a "Unanimous Consent") is taken by all shareholders entitled to vote on the action; or

(ii) so long as the Corporation is not a public company, the action (a "Majority Consent") is taken by shareholders holding of record, or otherwise entitled to vote, in the aggregate not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote on the action were present and voted.

To the extent prior notice is required by law, any advance notice required by statute to be given to nonconsenting shareholders shall be made at least one business day prior to the effectiveness of the action, or such longer period as required by law. The form of this notice shall be sufficient to appraise the nonconsenting shareholder of the nature of the action to be effected, in a manner approved by the directors of the Corporation or by the committee or officers to whom the board has delegated that responsibility,

ARTICLE VII INTERESTED TRANSACTIONS

7.1 No contracts or other transactions between the Corporation and any other corporation, and no act of the Corporation shall in any way be affected or invalidated by the fact that any of the directors or shareholders of the Corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; and

7.2 Any director or shareholder individually, or any firm of which any director or shareholder may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the Corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof.

ARTICLE VIII REGISTERED AGENT AND OFFICE

The name of the registered agent of this Corporation and the address of its registered office are as follows:

DWTR&J Corp.
2600 Century Square
1501 Fourth Avenue
Seattle, Washington 98101-1688

ARTICLE IX AMENDMENT OF ARTICLES

The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on shareholders and directors are subject to this reserved power.

**ARTICLE X
LIMITATION OF DIRECTOR LIABILITY**

No director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for his or her conduct as a director on or after the date this Article becomes effective, except for: (i) acts or omissions that involve intentional misconduct or a knowing violation of law by the director, (ii) approval of certain distributions or loans in violation of RCW 23B.18.310, or (iii) any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled. If, after approval by shareholders of this Article, the Washington Business Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Washington Business Corporation Act, as so amended. Any amendment to or repeal of this Article shall not adversely affect any right or protection of a director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

DATED: September ~~4~~, 2001.


Shane D. Jones, President