

AGREEMENT OF MERGER

THIS AGREEMENT OF MERGER is entered into as of February 17, 2000 by and between PATH HOLDINGS, INC., a California corporation (the "Company"), and PATH, LLC, a California limited liability company (the "LLC"), which are the constituent entities in this merger, with reference to the following facts.

- A. The Company is a California corporation which filed its Articles of Incorporation on January 12, 2000.
- B. LLC is a limited liability company organized under the laws of the State of California pursuant to its Articles of Organization filed on April 24, 1997 and is the sole shareholder of the Company.
- C. The Company and the LLC desire to merge the LLC into the Company.

NOW, THEREFORE, IN CONSIDERATION OF the foregoing facts and the representations, warranties and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the LLC hereby agree as follows:

- 1. Merger. On the Effective Date (as defined below), the LLC shall be merged into the Company, the corporate existence of the Company shall continue, and the separate existence of the LLC shall cease (the "Merger"). The identity, existence, purposes, powers, rights and immunities of the LLC shall be merged into and vested in the Company, and the corporate identity, existence, purposes, powers, rights and immunities of the Company shall continue unaffected and unimpaired by the Merger. The Company shall succeed, without other transfer, to all the rights and property of the LLC and shall be subject to all of the LLC's debts, liabilities, and obligations in the same manner as if the Company had itself incurred them.
- 2. Exchange of Membership Interests. The one hundred (100) shares of Common Stock of the Company held by its sole shareholder, LLC, shall be canceled and ten million (10,000,000) shares of Common Stock of the Company shall be issued and exchanged for the membership interests of the LLC's members as follows:

<u>Name</u>	<u>Membership Interests of the LLC</u>	<u>exchanged for</u>	<u>Shares of Common Stock of the Company</u>
Galia Linn	47%		4,700,000
Oded Noy	47%		4,700,000
Michael Boem	4%		400,000
Matthew Fladell	2%		200,000


3. Effective Date. The Company shall consummate the Merger of the LLC into the Company by filing a copy of this Agreement, together with an officer's certificate or certificate of merger of each constituent entity, with the California Secretary of State. The merger shall become effective on the date by which both filings have been made (the "Effective Date").

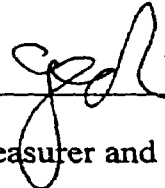
4. Approval. This Merger has been approved by the Board of Directors of the Company, the sole shareholder of the Company and the members and managers of the LLC.

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IN WITNESS WHEREOF, the undersigned have caused this Agreement of Merger to be executed as of the date first set forth above.

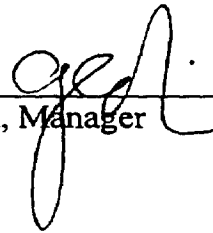
PATH HOLDINGS, INC.,
a California corporation

By: 
Oded Noy
Chief Executive Officer and Chairman
of the Board of Directors

By: 
Galia Linn
President, Treasurer and Secretary

PATH, LLC,
a California limited liability company

By: 
Oded Noy, Manager

By: 
Galia Linn, Manager

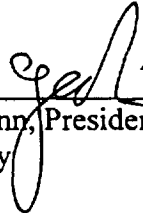
OFFICER'S CERTIFICATE OF APPROVAL
OF
AGREEMENT OF MERGER
OF
PATH HOLDINGS, INC.

Pursuant to Section 1113(g) of the California Corporations Code, the undersigned hereby certifies, on behalf of PATH HOLDINGS, INC., a California corporation (the "Company"), the following:

1. The Company has two classes of stock, common stock and preferred stock. As of the date hereof, 100 shares of common stock are issued and outstanding, all of which shares are entitled to vote on the merger with PATH, LLC, a California limited liability company ("Path, LLC"). No shares of preferred stock are issued or outstanding.
2. The principal terms of the attached Agreement of Merger by and between the Company and Path, LLC were approved by the unanimous vote of the outstanding shares of common stock of the Company.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate as of February 17, 2000.

PATH HOLDINGS, INC.,
a California corporation

By: 
Galia Linn, President, Treasurer and
Secretary

State of California



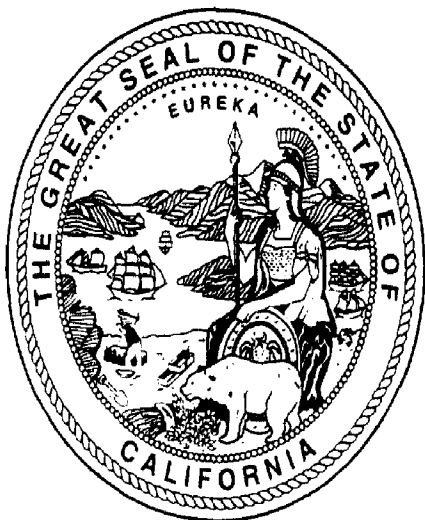
SECRETARY OF STATE

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

That the attached transcript of 1 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

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

MAR 24 2000



Bill Jones

Secretary of State



State of California

Bill Jones

Secretary of State

FILED
In the office of the Secretary of State
of the State of California

MAR 17 2000

Bill Jones
BILL JONES, Secretary of State

LIMITED LIABILITY COMPANY CERTIFICATE OF MERGER

(Corporations Code Section 17552)

Filing Fee - Please see instructions.
IMPORTANT - Read instructions before completing this form.

This Space For Filing Use Only

1. Name of surviving entity: Path Holdings, Inc.	2. Type of entity: Corporation	3. Secretary of State File Number: 2208246	4. Jurisdiction: California
5. Name of disappearing entity: Path, LLC	6. Type of entity: LLC	7. Secretary of State File Number: 101997114053	8. Jurisdiction: California
9. Future effective date, if any: _____ Effective upon filing with the California Secretary of State. Month Day Year			
10. If a vote was required pursuant to Section 17551 or Section 1113, enter the outstanding interests of each class entitled to vote on the merger and the percentage of vote required:			
<u>Surviving Entity</u>		<u>Disappearing Entity</u>	
<u>Each class entitled to vote</u>	<u>Percentage of vote required</u>	<u>Each class entitled to vote</u>	<u>Percentage of vote required</u>
100 shares of common stock	majority	100 units of Membership Percentage Interests	majority
11. The principal terms of the agreement of merger were approved by a vote of the number of interests or shares of each class that equaled or exceeded the vote required.			
SECTION 12 IS ONLY APPLICABLE IF THE SURVIVING ENTITY IS A DOMESTIC LIMITED LIABILITY COMPANY, COMPLETE ITEM 12 AND PROCEED TO ITEM 15			
12. Requisite changes to the information set forth in the Articles of Organization of the surviving limited liability company resulting from the merger. Attach additional pages if necessary.			
SECTIONS 13 AND 14 ARE APPLICABLE IF THE SURVIVING ENTITY IS A FOREIGN LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY. COMPLETE ITEMS 13 AND 14.			
13. Principal business address of the surviving foreign limited liability company or other business entity:			
Address: 13327 Beach Avenue			
City: Marina Del Rey		State: CA	Zip Code: 90292
14. Other information required to be stated in the Certificate of Merger by the laws under which each constituent other business entity is organized. Attach additional pages if necessary.			
Agreement of Merger; Officer's Certificate of Approval of Agreement of Merger of Path Holdings, Inc.			
15. Number of pages attached, if any: 5			
16. I certify that the statements contained in this document are true and correct of my own knowledge. I declare that I am the person who is executing this instrument, which execution is my act and deed.			
<i>[Signature]</i>		Oded Noy, CEO and Chairman of the Board of Directors	
Signature of Authorized Person for the Surviving Entity		Type or Print Name and Title of Person Signing	
Date: 2/10/00		Date	
<i>[Signature]</i>		Galina Linn, President, Treasurer and Secretary	
Signature of Authorized Person for the Surviving Entity		Type or Print Name and Title of Person Signing	
Date: 2/10/00		Date	
<i>[Signature]</i>		Galina Linn, Manager	
Signature of Authorized Person for the Disappearing Entity		Type or Print Name and Title of Person Signing	
Date: 2/10/00		Date	
<i>[Signature]</i>		Oded Noy, Manager	
Signature of Authorized Person for the Disappearing Entity		Type or Print Name and Title of Person Signing	
Date		Date	

SEC/STATE (REV. 12/99)

FORM LLC-9 - FILING FEE: SEE INSTRUCTIONS
Approved by Secretary of State

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RECORDED: 05/11/2000

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