

FIRST AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
@WORK TECHNOLOGIES CORPORATION

FILED/EFFECTIVE

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1 SECRETARY OF STATE
STATE OF IDAHO

These First Amended and Restated Articles of Incorporation for @Work Technologies, Inc. ("Articles") are made effective as of the 30th day of June 2000, and amend and fully restate in their entirety the Articles of Incorporation of @Work Technologies, Inc., an Idaho corporation (the "Corporation"), originally filed with the Idaho Secretary of State effective as of November 19, 1997, as amended by the Articles of Amendment, filed with the Idaho Secretary of State effective July 24, 1998 and the Articles of Amendment filed with the Idaho Secretary of State effective May 25, 2000.

ARTICLE 1

The name of the Corporation shall be **@Work Technologies, Inc.**

ARTICLE 2

The Corporation shall have perpetual existence, and the nature of the business or purposes to be conducted or promoted by the Corporation is to transact any and all other lawful business for which corporations may be organized under the Idaho Business Corporation Act (the "IBCA").

ARTICLE 3

The address of the registered office of the Corporation in the State of Idaho is 775 Lindsay Boulevard, Idaho Falls, Idaho 83402. The name of its registered agent such address is Scott Harris.

ARTICLE 4

4.1. The Corporation is authorized to issue two classes of capital stock, to be designated respectively Common Stock and Preferred Stock. The total number of shares which the Corporation shall have the authority to issue is Thirty-Five Million (35,000,000) shares, each with no par value per share. Twenty-Five Million (25,000,000) shares shall be Common Stock and Ten Million (10,000,000) shares shall be Preferred Stock.

4.2. The Preferred Stock authorized by these Articles may be issued from time to time in one or more series. Three Million Nine Hundred Thousand (3,900,000) shares shall be designated Series A Preferred Stock. The rights, preferences, privileges and restrictions imposed on the Series A Preferred Stock are as set forth below in this Section 4.2. Subject to the rights of the holders of the Series A Preferred Stock set forth herein,

the Corporation's Board of Directors (the "Board of Directors") is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon additional series of Preferred Stock, and the number of shares constituting any such series and the designation thereof (each, a "Preferred Stock Designation"). Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof in a Preferred Stock Designation or the Corporation's Articles of Incorporation or otherwise ("Protective Provisions"), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such additional series may be subordinate to, pari passu with (including, without limitation, inclusion in provisions with respect to acquisition preferences, dividend rights, rights and preferences upon dissolution and liquidation, conversion features, redemption and/or approval of matter by vote or written consent and any other relative, participating, optional, or other special powers preferences, rights, qualifications, or restrictions thereof), or senior to, any of those of any present or future class or series of Preferred or Common Stock. Subject to compliance with applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares of any series, prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares, constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

SECTION 1. DESIGNATION OF SERIES A PREFERRED STOCK

Three Million Nine Hundred Thousand (3,900,000) of the authorized shares of Preferred Stock are hereby designated "Series A Preferred Stock" (the "Series A Preferred Stock"). The rights, preferences, privileges, restrictions and other matters relating to the Series A Preferred Stock are as follows:

(a) Holders of Series A Preferred Stock, in preference to the holders of Common Stock and any other stock of the Corporation that is not by its terms expressly senior in right of payment to the Series A Preferred Stock (collectively, "Junior Stock"), shall be entitled to receive dividends if, when and as declared by the Corporation's Board of Directors, but only out of funds that are legally available therefor. In the event that the Corporation declares or pays any dividends upon the Common Stock (whether payable in cash, securities or other property), other than dividends payable solely in shares of Common Stock, the Corporation shall also declare and pay to the holders of the Series A Preferred Stock, at the same time that it declares and pays such dividends to the holders of the Common Stock, dividends which would have been declared and paid with respect to the Common Stock issuable upon conversion of the Series A Preferred Stock had all of the outstanding Series A Preferred Stock been converted immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which the record holders of Common Stock entitled to such dividends are to be determined.

(b) So long as any Series A Preferred Stock remains outstanding, without the prior written consent of the holders of a majority in interest of the outstanding shares of Series A Preferred Stock, voting together as a separate class with each holder of Series A Preferred Stock entitled to a number of votes equal to the number of whole shares of Common Stock issuable upon conversion of the aggregate number of shares of Series A Preferred Stock held by such holder, except in accordance with the provisions of the Company and Shareholders Agreement dated as of June 30, 2000 among the Company, Tele-Servicing Innovations, Inc. and certain other shareholders (the "Company and Shareholders Agreement"), the Corporation shall not, nor shall it permit any Subsidiary to, directly or indirectly redeem, purchase or otherwise acquire any Junior Stock, nor shall the Corporation directly or indirectly pay or declare any dividend or make any distribution upon any Junior Stock. The provisions of this Section 1(b) shall not, however, apply to (i) the acquisition of shares of any Junior Stock solely in exchange for shares of any other Junior Stock, (ii) the payment of cash dividends on the Common Stock to the extent that equivalent dividends are paid on the Series A Preferred Stock as provided above, or (iii) if approved unanimously by the Corporation's Board of Directors, any repurchase of any vested Reserved Employee Stock from former employees, directors or consultants in connection with termination of employment or service as a director or consultant pursuant to contractual repurchase rights.

SECTION 2. VOTING RIGHTS.

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

(b) Election of Directors. For so long as at least forty percent (40%) of the authorized number of shares of Series A Preferred Stock remain outstanding, the holders of Series A Preferred Stock, voting as a separate class, shall be entitled to elect three (3) members of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's shareholders for the election of directors, to remove from office such directors, and to fill any vacancy caused by the resignation, death or removal of either of the three (3) directors. Subject to the terms of the Company and Shareholders Agreement, the holders of Common Stock, voting as a separate class and subject to any agreements between the holders of Common Stock, shall be entitled to elect the remaining three (3) members of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's shareholders for the election of directors, to remove from office such directors and to fill any vacancy caused by the

resignation, death or removal of such directors. If at any time less than forty percent (40%) of the authorized number of shares of Series A Preferred Stock remain outstanding, all of the members of the Board of Directors shall be elected by the holders of Series A Preferred Stock and Common Stock voting together as a single class, with the Series A Preferred Stock to be voted in the same manner as described in Section 3(a) above, on an as-converted basis.

(c) Class Voting Rights. Without the affirmative vote of the holders of a majority in interest of the outstanding shares of Series A Preferred Stock, the Corporation will not (i) create, issue or authorize the issuance of any additional Series A Preferred Stock or any other capital stock of the Corporation that is senior to or *pari passu* with the Series A Preferred Stock with respect to the payment of dividends, redemptions or payments in connection with the liquidation of the Corporation, (ii) engage in any sale of substantial assets outside the ordinary course of business or any merger, consolidation, recapitalization, or liquidation, (iii) engage in any acquisition of substantial assets outside the ordinary course of business or engage in any business other than the business of the Corporation described in the Company's most recent annual business plan approved by the Board of Directors of the Corporation and activities incidental thereto, (iv) increase the amount of Reserved Employee Stock, (v) engage in any transaction with an affiliate of the Corporation that is not approved by a majority of the Corporation's disinterested directors or (vi) increase the size of the Board beyond six (6) members or classify the Board. In addition, the Corporation will not amend its Articles of Incorporation or by-laws in a manner that adversely affects the holders of Series A Preferred Stock without the affirmative vote of the holders of two-thirds of the shares of the Series A Preferred Stock.

SECTION 3. LIQUIDATION RIGHTS.

(a) Upon any liquidation, dissolution or winding up of the Corporation whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of Series A Preferred Stock shall be entitled to be paid out of the assets of the Corporation an amount with respect to each share of Series A Preferred Stock equal to the sum of \$.10, as appropriately adjusted if and to the extent that the number of issued and outstanding shares of Series A Preferred Stock increases or decreases as a result of any future stock splits, stock combinations, stock dividends or similar transactions (the "Original Series A Issue Price"), plus all declared but unpaid dividends thereon (the "Series A Liquidation Value").

(b) After the payment of the full Series A Liquidation Value as set forth in Section 3(a) above, the remaining assets of the Corporation legally available for distribution, if any, shall be distributed to the holders of Junior Stock entitled to a preference over the Common Stock and, thereafter, to the holders of Common Stock. The holders of Series A Preferred Stock shall be entitled to participate in distributions to holders of the Common Stock such that, giving effect to all distributions pursuant to Section 3(a) and all exercises of Options and conversions of Convertible Securities

effected on or prior to the date on which distributions are made to holders of Common Stock, the holders of Series A Preferred Stock receive aggregate distributions equal to the greater of the Series A Preferred Liquidation Value or the amounts that such holders would have received if the Series A Stock had been converted into Common Stock immediately prior to such liquidation, dissolution or winding up of the Corporation.

(c) At the option of the holders of a majority in interest of the outstanding shares of Series A Preferred Stock, as to all of the Series A Preferred Stock, the following events shall be considered a liquidation under Section 3(a): (i) any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization, in which the shareholders of the Corporation immediately prior to such consolidation, merger or reorganization own capital stock representing less than fifty percent (50%) of the Corporation's voting power immediately after such consolidation, merger or reorganization, or any other transaction or series of related transactions in which capital stock representing in excess of fifty percent (50%) of the Corporation's voting power (33% following the Corporation's initial public offering of Common Stock) is transferred to any single entity or group of related entities (an "Acquisition"); or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation (an "Asset Transfer").

(d) If, upon any liquidation, dissolution or winding up, the assets of the Corporation shall be insufficient to make payment in full to all holders of Series A Preferred Stock, then such assets shall be distributed among the holders of Series A Preferred Stock at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

SECTION 4. REDEMPTION.

The Corporation shall not, nor shall it permit any Subsidiary to, redeem or otherwise acquire any shares of Series A Preferred Stock, except pursuant to a purchase offer made pro rata to all holders of Series A Preferred Stock on the basis of the number of shares owned by each such holder.

SECTION 5. CONVERSION RIGHTS.

The holders of the Series A Preferred Stock shall have the following rights with respect to the conversion of the Series A Preferred Stock into shares of Common Stock:

(a) **Optional Conversion.** Subject to and in compliance with the provisions of this Section 5, any shares of Series A Preferred Stock may, at the option of the holder be converted at any time into fully-paid and nonassessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series A Preferred shall be entitled upon conversion shall be the product obtained by multiplying the "Series A Conversion Rate" then in effect (determined as provided in Section 5(b)) by the number of shares of Series A Preferred Stock being converted.

(b) Series A Conversion Rates. The conversion rate in effect at any time for conversion of the Series A Preferred Stock (the “Series A Conversion Rate”) shall be the quotient obtained by dividing the Original Series A Issue Price, plus any declared but unpaid dividends thereon, by the “Series A Conversion Price” calculated as provided in Section 5(c).

(c) Series A Conversion Price. The conversion price for the Series A Preferred Stock (the “Series A Conversion Price”) shall initially be \$0.10 per share. Such initial Series A Conversion Price shall be adjusted from time to time in accordance with this Section 5. If and whenever on or after the Original Issue Date as defined in Section 6 of this Article the Corporation issues or sells, or in accordance with this Section 5(c) is deemed to have issued or sold, any shares of its Common Stock (other than pursuant to a Permitted Issuance) for a consideration per share less than the Series A Conversion Price in effect immediately prior to the time of such issue or sale, then immediately upon such issue or sale or deemed issue or sale the Series A Conversion Price then in effect shall be reduced to the amount determined by dividing (a) the sum of (1) the product derived by multiplying the Series A Conversion Price in effect immediately prior to such issue or sale by the number of shares of Common Stock Deemed Outstanding immediately prior to such issue or sale, plus (2) the consideration, if any, received or deemed to have been received by the Corporation upon such issue or sale, by (b) the number of shares of Common Stock Deemed Outstanding immediately after such issue or sale. All references to the Series A Conversion Price herein shall mean the Series A Conversion Price as so adjusted. For purposes of determining the adjusted Series A Conversion Price, the following shall be applicable:

(i) Issuance of Rights or Options. If the Corporation in any manner grants or sells any Options and the price per share for which Common Stock is issuable upon the exercise of such Option, or upon Conversion or exchange of any Convertible Securities issuable upon exercise of such Options, is less than the Series A Conversion Price in effect immediately prior to the time of the granting or sale of such Options, then for purposes of the Series A Conversion Price the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have been issued and sold by the Corporation at the time of the granting or sale of such Options for such price per share. For purposes of this paragraph, the “price per share for which Common Stock is issuable” shall be determined by dividing (A) the total amount, if any, received or receivable by the Corporation as consideration for the granting or sale of such Options, plus the minimum aggregate amount of additional consideration payable to the Corporation upon exercise of all such Options, plus in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the issuance or sale of such Convertible Securities and the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options. In the event of an adjustment to the Series A Conversion Price as a

result of the grant or sale of Options, no further adjustment to the Series A Conversion Price shall be made when Convertible Securities are actually issued upon the exercise of such Options or when Common Stock is actually issued upon the exercise of such Options or the conversion or exchange of the Convertible Securities issued pursuant to such Options.

(ii) Issuance of Convertible Securities. If the Corporation in any manner issues or sells any Convertible Securities and the price per share for which Common Stock is issuable upon conversion or exchange thereof is less than the Series A Conversion Price in effect immediately prior to the time of such issue or sale, then for purposes of such Conversion Price the maximum number of shares of Common Stock issuable upon conversion or exchange of such Convertible Securities shall be deemed to have been issued and sold by the Corporation at the time of the issuance or sale of such Convertible Securities for such price per share; provided, however, that if such Convertible Securities contain a default or similar provision that provides for the issuance of additional securities upon the occurrence of a future event, no adjustment will be made to the Series A Conversion Price with respect to such additional securities until the occurrence of such event. For the purposes of this paragraph, the "price per share for which Common Stock is issuable" shall be determined by dividing (A) the total amount received or receivable by the Corporation in consideration for the issue or sale of such Convertible Securities or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof by (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. In the event of an adjustment to the Series A Conversion Price as a result of the issuance or sale of Convertible Securities, no further adjustment of the Series A Conversion Price shall be made when Common Stock is actually issued upon the conversion or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustments of the Series A Conversion Price had been or are to be made pursuant to other provisions of this Section 5, no further adjustment of the Series A Conversion Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Conversion Rate. If the purchase price provided for in any Options, the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities or the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock changes at any time, the Series A Conversion Price in effect at the time of such change shall be immediately adjusted to the Series A Conversion Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold, but without prejudice to any other adjustment required by this Section 5.

(iv) Treatment of Expired Options and Unexercised

Convertible Securities. Upon the expiration of any Option or the termination of any right to convert or exchange any Convertible Security without the exercise of any such Option or right, the Series A Conversion Price then in effect hereunder shall be adjusted immediately to the Series A Conversion Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Security, to the extent outstanding immediately prior to such expiration or termination, never been issued, but without prejudice to any other adjustment required by this Section 5.

(v) Calculation of Consideration Received. If any

Common Stock, Option or Convertible Security is issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Corporation therefor (net of discounts, commissions and related expenses). If any Common Stock, Option or Convertible Security is issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Corporation shall be the fair market value of such consideration. If any Common Stock, Option or Convertible Security is issued to the owners of the non-surviving entity in connection with any merger in which the Corporation is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair market value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Option or Convertible Security, as the case may be. The fair market value of any consideration other than cash and securities shall be determined in good faith by the Board of Directors of the Corporation in a meeting at which the members of the Board elected by the holders of the Series A Preferred Stock shall be entitled to participate and vote.

(vi) Integrated Transactions. In case any Option is

issued in connection with the issue or sale of other securities of the Corporation, together comprising one integrated transaction in which no specific consideration is allocated to such Option by the parties thereto, the Option shall be deemed to have been issued for a consideration of \$.01.

(vii) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation or any Subsidiary, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock.

(d) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock into a smaller number of shares, the Series A Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 5(d) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(e) Adjustment for Common Stock Dividends and Distributions. If the Corporation at anytime or from time to time after the Original Issue Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, in each such event the Series A Conversion Price then in effect shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price then in effect by a fraction (1) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (2) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; *provided, however,* that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price shall be adjusted pursuant to this Section 5(e) to reflect the actual payment of such dividend or distribution.

(f) Adjustments for Other Dividends and Distributions. If the Corporation at any time or from time to time after the Original Issue Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation other than shares of Common Stock, in each such event provision shall be made so that the holders of the Series A Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of other securities of the Corporation which they would have received had the Series A Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 5 with respect to the rights

of the holders of the Series A Preferred Stock or with respect to such other securities by their terms.

(g) Adjustment for Reclassification, Exchange and Substitution. If at any time or from time to time after the Original Issue Date, the Common Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend or a reorganization, merger or consolidation provided for elsewhere in this Section 5), in any such event each holder of Series A Preferred Stock shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable in connection with such recapitalization, reclassification or other change with respect to the maximum number of shares of Common Stock into which such shares of Series A Preferred Stock could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustments as provided herein or with respect to such other securities or property by the terms thereof.

(h) Reorganizations, Mergers or Consolidations. If at any time or from time to time after the Original Issue Date, the Common Stock is converted into other securities or property, whether pursuant to a reorganization, merger or otherwise (other than a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this Section 5), as a part of such transaction, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock the number of shares of stock or other securities or property of the Corporation to which a holder of the maximum number of shares of Common Stock deliverable upon conversion would have been entitled in connection with such transaction, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of Series A Preferred Stock after such transaction to the end that the provisions of this Section 5 (including adjustment of the Series A Conversion Price then in effect and the number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable. The Corporation shall not be a party to any reorganization, merger or consolidation in which the Corporation is not the surviving entity unless the entity surviving such transaction assumes by written instrument, satisfactory to the holders of a majority in interest of the outstanding shares of Series A Preferred Stock, all of the Corporation's obligations hereunder.

(i) Certificate of Adjustment. In each case of an adjustment or readjustment of the Series A Conversion Price or the number of shares of Common Stock or other securities issuable upon conversion of the Series A Preferred Stock, the Corporation, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series A Preferred Stock at the holder's address as shown in the

Corporation's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (1) the consideration received or deemed to be received by the Corporation for any additional shares of Common Stock issued or sold or deemed to have been issued or sold, (2) the Series A Conversion Price in effect before and after such adjustment, (3) the number of additional shares of Common Stock issued or sold or deemed to have been issued or sold, and (4) the type and amount, if any, of other property which at the time would be received upon conversion of the Series A Preferred Stock.

(j) Notices of Record Date. Upon (i) any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 3(c)) or other capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any merger or consolidation of the Corporation with or into any other corporation, any Asset Transfer (as defined in Section 3(c)), or any voluntary or involuntary dissolution, liquidation or winding up of the Corporation, the Corporation shall mail to each holder of Series A Preferred Stock at least twenty (20) days prior to the record date specified therein a notice specifying (1) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (2) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (3) the date, if any, that is to be fixed for determining the holders of record of Common Stock (or other securities) that shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(k) Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock, based on the then-effective Series A Conversion Price, immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Corporation in which (i) the per share price to the public is at least \$15.00 per share (as adjusted for stock splits, recapitalizations and the like), and (ii) the gross cash proceeds to the Corporation (before underwriting discounts commissions and fees) are at least \$30,000,000. Upon such automatic conversion, all declared but unpaid dividends on the Series A Preferred Stock, if any, shall be paid in accordance with Section 5(l).

(l) Mechanics of Conversion.

(i) Optional Conversion. Each holder of Series A Preferred Stock who desires to convert the same into shares of Common Stock pursuant to this Section 5 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or any transfer agent for such securities, and shall give

written notice to the Corporation at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series A Preferred Stock being converted. Thereupon, the Corporation shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled and shall promptly pay in cash or, to the extent sufficient funds are not then legally available therefor, in Common Stock (at the Common Stock's fair market value determined by the Board of Directors as of the date of such conversion) or a combination of cash and Common Stock, any declared but unpaid dividends on the shares of Series A Preferred Stock being converted. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificate representing the shares of Series A Preferred Stock to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(ii) Automatic Conversion. Upon the occurrence of the event specified in Section 5(k) above, the outstanding shares of Series A Preferred Stock shall be converted into Common Stock automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, *provided, however,* that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series A Preferred Stock are either delivered to the Corporation or its transfer agent as provided below, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. Upon surrender by any holder of the certificates formerly representing shares of Series A Preferred Stock, at the office of the Corporation or any transfer agent for such securities, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Series A Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred, and the Corporation shall promptly pay in cash or, to the extent sufficient funds are not legally available therefor, in Common Stock (at the Common Stock's fair market value determined by the Board as of the date of such conversion) or a combination of cash and Common Stock, all declared but unpaid dividends on the shares of Series A Preferred Stock being converted. Until surrendered as provided above, each certificate formerly representing shares of Series A Preferred Stock shall be deemed for all corporate purposes to represent the number of shares of Common Stock resulting from such automatic conversion.

(m) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock by a holder thereof shall be aggregated for purposes of determination whether the conversion would result in the issuance of any fractional share.

If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Corporation shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value (as determined by the Board) on the date of conversion.

SECTION 6. Certain Definitions.

"Event of Noncompliance" means any material deviation by the Corporation from its most recent business plan approved by the Corporation's Board of Directors without the prior unanimous approval of the Board of Directors.

"Common Stock Deemed Outstanding" means, at any given time, the sum of the number of shares of Common Stock actually outstanding at such time, plus the number of shares of Common Stock issuable pursuant to Options and Convertible Securities outstanding on the Original Issue Date to the extent that such Options and/or Convertible Securities remain outstanding as of the date of determination, plus the number of shares of Common Stock deemed to have been issued pursuant to subparagraphs 5(c)(i) and 5(c)(ii) hereof whether or not the Options or Convertible Securities are actually exercisable at such time.

"Convertible Securities" means any stock or securities directly or indirectly convertible into or exchangeable for Common Stock.

"Options" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities.

"Original Issue Date" means June 30, 2000.

"Permitted Issuance" means (i) any issuance of Common Stock upon conversion of shares of Series A Preferred Stock, (ii) any issuance of warrants to purchase equity securities of the Corporation in connection with a commercial loan or leasing transaction approved unanimously by the Corporation's Board of Directors, or (iii) any issuance of Reserved Employee Stock.

"Reserved Employee Stock" means up to 1,683,007 shares of Common Stock issuable to employees, directors or consultants of the Corporation and its Subsidiaries subject to the approval of the Corporation's Board of Directors.

"Subsidiary" means any corporation of which the shares of outstanding capital stock possessing the voting power (under ordinary circumstances) in electing at least a majority of the board of directors are, at the time as of which any determination is being made, owned by the Corporation either directly or indirectly through Subsidiaries.

SECTION 7. Amendment and Waiver.

No amendment, modification or waiver of any of the terms or provisions of the Series A Preferred Stock shall be binding or effective without the prior written consent of the holders of two-thirds of the outstanding Series A Preferred Stock, and no change in the terms hereof may be accomplished by merger or consolidation of the Corporation with another corporation or entity unless the Corporation has obtained the prior written consent of the holders of two-thirds of the outstanding Series A Preferred Stock. Any amendment, modification or waiver of any of the terms or provisions of the Series A Preferred Stock approved in the manner described in this Section 7, whether prospective or retroactively effective, shall be binding upon all holders of Series A Preferred Stock.

SECTION 8. Registration of Transfer.

The Corporation shall keep at its principal office a register for the registration of the Series A Preferred Stock. Upon the surrender of any certificate representing Series A Preferred Stock, at such place, the Corporation shall, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate.

ARTICLE 5

The number of directors constituting the Board of Directors shall be six (6). Any vacancies on the Board shall be filled in accordance with the Bylaws, to the extent not addressed by these Articles or any voting agreements to which the Corporation and its shareholders are subject.

ARTICLE 6

Except as may be set forth in a Preferred Stock Designation or in a written agreement with the Corporation, no shareholder of this Corporation shall have any preemptive rights with respect to (i) any shares of any class of stock of the Corporation, whether now or hereafter authorized, (ii) any warrants, rights, or options to purchase any such shares, or (iii) any obligation convertible into any such shares or into warrants, rights or options to purchase any such shares.

ARTICLE 7

Except as may be set forth in a Preferred Stock Designation, the shareholders of the Corporation shall not be entitled to cumulative voting at any election of Directors.

ARTICLE 8

This Corporation reserves the right to amend or repeal any of the provisions contained in these Articles of Incorporation in any manner now or hereafter permitted by law, and the rights of the shareholders of this Corporation are granted subject to this reservation.

ARTICLE 9

To the full extent permitted by the Act or any other applicable laws as presently or hereafter in effect, no director of the Corporation shall be personally liable to the Corporation or its shareholders for or with respect to any acts or omissions in the performance of his or her duties as a director of the Corporation. No amendment to or repeal of this *Article 9* shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to the effective date of such amendment or repeal.

The foregoing First Amended and Restated Articles of Incorporation have been duly adopted by this Corporation's Board of Directors and shareholders effective as of June 30, 2000, in accordance with Section 30-1-1003 and Section 30-1-1007 of the IBCA.

The number of shares outstanding and entitled to vote at the time of adoption was Four Hundred Ninety Thousand Seven Hundred Eighty-five (490,785) shares. These First Amended and Restated Articles of Incorporation were adopted by 457,465 shares for the adoption and -0- shares against.

[end of text]

IN WITNESS WHEREOF, the undersigned has executed these First Amended and Restated Articles of Incorporation effective as of the date first above written.

@Work Technologies, Inc.,
an Idaho corporation

By: *Scott Harris*
Scott Harris, President