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APEX LEARNING INC.

FOURTH AMENDED AND RESTATED ARTICLES OF
INCORPORATION

Pursuant to the provisions of the Washington Business Corporation Act, RCW
Section 23B.10.070, APEX LEARNING INC., a Washington corporation (the
"*Corporation*"), hereby amends and restates its Articles of Incorporation as now and
heretofore amended:

ARTICLE I

Name

The name of the corporation is:

APEX LEARNING INC.

ARTICLE II

Capital Stock

The total number of shares of all classes of capital stock that the Corporation shall
have authority to issue is 110,000,000 shares, in the designated classes and series as follows:

<u>Class</u>	<u>Number of Shares</u>
Common Stock, \$0.001 par value per share (" <i>Common Stock</i> ")	60,000,000
Preferred Stock, \$0.001 par value per share (" <i>Preferred Stock</i> ")	50,000,000
Comprised of:	
Series AA Convertible Preferred Stock, \$0.001 par value per share (" <i>Series AA Preferred</i> ")	12,000,000

Shares of one class or series may be issued as a share dividend in respect to shares of
another class or series.

A description of the respective classes of stock and a statement of the designations,
preferences, voting power (if any), relative, participating, optional or other special rights and
privileges and the qualifications, limitations and restrictions of the Common Stock and
Preferred Stock are as follows:

2.1 Common Stock

2.1.1 Voting Rights

Except as otherwise required by law or expressly provided in these Articles of Incorporation, each holder of Common Stock shall have one vote in respect of each share of stock held by such holder of record on the books of the Corporation on all matters submitted to a vote of shareholders of the Corporation.

2.1.2 Dividends

Subject to any preferential rights of Preferred Stock then outstanding, holders of shares of Common Stock shall be entitled to receive, when and if declared by the Board of Directors, out of the assets of the Corporation that are by law available therefor, dividends payable either in cash, in property or in shares of capital stock.

2.1.3 Dissolution, Liquidation or Winding Up

In the event of any dissolution, liquidation, or winding up of the affairs of the Corporation, after distribution in full of the preferential amounts to be distributed to the holders of shares of Preferred Stock, holders of Common Stock shall be entitled, unless otherwise required by law or expressly provided in these Articles of Incorporation, to receive all of the remaining assets of the Corporation of whatever kind available for distribution to shareholders ratably in proportion to the number of shares of Common Stock held by them respectively.

2.2 Preferred Stock

The Board of Directors of the Corporation is authorized, subject to limitations prescribed by law and the provisions of this Article, to provide for the issuance of shares of Preferred Stock in one or more series, at such time or times and for such consideration or considerations as the Board may determine. Each series shall be so designated to distinguish its shares from the shares of all other series and classes. All shares of a series of Preferred Stock shall have preferences, limitations, and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the articles of amendment adopted by the Board of Directors creating the series and filed with the Washington Secretary of State in accordance with the Washington Business Corporation Act (the "*Act*"), of those of other series of the same class. Except as may otherwise be provided in these Articles of Incorporation, different series of Preferred Stock shall not be construed to constitute different classes of shares for the purpose of voting by classes. To the extent not inconsistent with the Act and the provisions of these Articles of Incorporation, the authority of the Board of Directors with respect to each such series shall include, without limitation of the foregoing, determination of the following:

- (i) The number of shares in and the distinguishing designation of that series;

(ii) Whether the shares of that series shall have full, special, conditional, or limited voting rights, or no voting rights, except to the extent otherwise provided by law;

(iii) Whether the shares of that series are convertible and the terms and conditions of the conversion, including provision for adjustment of the conversion rate in circumstances determined by the Board of Directors of the Corporation;

(iv) Whether shares of that series shall be redeemable and the terms and conditions of redemption, including the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions or at different redemption dates;

(v) Entitlement to distributions, calculated in any manner, including dividends that may be cumulative, noncumulative, or partially cumulative and dividends that, for classes of stock other than Common Stock, may be participatory or nonparticipatory;

(vi) The rights of shares of that series in the event of voluntary or involuntary dissolution of the Corporation and the rights of priority of that series relative to the Common Stock and any other series of Preferred Stock on the distribution of assets on dissolution; and

(vii) Any other rights, preferences and limitations of that series permitted by law.

2.2.1 Dividends

(a) Holders of shares of Series AA Preferred shall be entitled to receive, when and if declared by the Board of Directors, out of the assets of the Corporation that are by law available therefor, dividends payable either in cash, in property or in shares of capital stock, prior to and in preference to any declaration or payment of any dividend on the Common Stock; provided that in the event a security junior to the rights, privileges, and preferences of the Series AA Preferred is granted dividend rights based upon a determined value or formula, the Series AA Preferred shall be granted a comparable right.

(b) No dividends or other distributions shall be made with respect to the Common Stock until all declared dividends, if any, on Series AA Preferred (i) have been paid in full, and (ii) the mandatory redemption requirements set forth in Section 2.2.10, if applicable, have been met.

2.2.4 Liquidation, Dissolution or Winding Up

(a) Preferred Preference. Upon the occurrence of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, holders of each share of Series AA Preferred shall be entitled to be paid first out of the assets of the Corporation legally available for distribution to holders of the Corporation's capital stock of all classes (whether such assets are capital, surplus or earnings) before any sums shall be paid or any assets distributed among the holders of Common Stock, an amount equal to the

original issue price for the Series AA Preferred plus an amount equal to all accrued and unpaid dividends thereon, if any (the "*Series AA Preferred Liquidation Preference Amount*"). The original issue price of the Series AA Preferred shall be equal to \$1.00 per share (the "*Series AA Original Issue Price*").

(b) Distribution Shortfall. If the assets of the Corporation shall be insufficient to permit the payment in full to holders of Series AA Preferred of the amount thus distributable pursuant to Section 2.2.4(a), then the entire assets of the Corporation available for such distribution shall be distributed ratably among the holders of Series AA Preferred in proportion to the Series AA Preferred Liquidation Preference Amount each such holder otherwise would be entitled to receive.

(c) Distribution to Holders of Common Stock. Subject to the rights of holders of Series AA Preferred, and after payment to the holders of record of the shares of Series AA Preferred of the amounts set forth in Section 2.2.4, the remaining assets of the Corporation shall be distributed ratably per share to the holders of record of the Common Stock.

(d) Distributions Other than Cash. Whenever the distribution provided for in this Section 2.2.4 shall be paid in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors of the Corporation.

(e) Treatment of Reorganizations, Mergers, etc. The following events shall be regarded as a liquidation, dissolution or winding up of affairs of the Corporation within the meaning of this Section 2.2.4: (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 Corporation is not the surviving entity or in which shareholders of the Corporation immediately prior to such consolidation, merger or reorganization, own less than 50% of the Corporation's voting power immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions in which in excess of 50% of the Corporation's voting power is transferred (other than any consolidation or merger with or into a wholly owned subsidiary of the Corporation or any of such a subsidiary's subsidiaries, and other than a merger or consolidation effected for the purpose of changing the domicile of the Corporation or any of its subsidiaries); or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation. In any such event, each holder of Series AA Preferred shall have the right to elect the benefits of the provisions of Section 2.2.6(c) in lieu of receiving payment in liquidation, dissolution or winding up of the Corporation pursuant to this Section 2.2.4.

2.2.5 Voting Power

Except as otherwise required by law or these Articles of Incorporation, each holder of Series AA Preferred shall be entitled to vote on all matters and shall be entitled to that number of votes equal to the number of votes that would be accorded to the largest number of

whole shares of Common Stock into which such holder's shares of Series AA Preferred would be converted, if the provisions of Section 2.2.6 hereof were then applicable, at the record date for the determination of shareholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited. Except as otherwise required by law or these Articles of Incorporation, the holders of shares of Series AA Preferred and Common Stock shall vote together as a single voting group on all matters, and not as separate voting groups.

2.2.6 Conversion Rights

Each Preferred Share shall be convertible, at the option of the holder thereof (except as set forth in Sections 2.2.6(b) and (c) below) 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 fully paid and nonassessable shares (calculated as to each conversion to the largest whole number of shares) of Common Stock on the following terms:

(a) General. The number of shares of Common Stock to which a holder of Preferred Shares shall be entitled upon conversion shall be the product obtained by multiplying the applicable Conversion Rate (determined as provided in Section 2.2.6(e)) by the number of shares of such series of Preferred Shares being converted.

(b) Automatic Conversion Upon Qualified Public Offering; Conversion by Consent. Subject to Section 2.2.6(a) above, the outstanding Preferred Shares shall be converted into shares of Common Stock in accordance with the following:

(i) All of the outstanding Preferred Shares shall be converted into the appropriate number of shares of Common Stock immediately prior to the closing of an 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 to the public in which the purchase price per share is at least \$10.00 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares) and the aggregate net proceeds to the Corporation exceed twenty five million dollars ("*Qualified Public Offering*"); provided, that the Corporation shall give written notice to the holders of the Preferred Shares within 10 days prior to such closing; and further provided, that such conversion shall occur automatically without any further action by such holders and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent for the Common Stock.

(ii) The outstanding Preferred Shares shall be converted into the appropriate number of shares of Common Stock upon the vote or written consent of the holders of at least 66-²/₃% of the Series AA Preferred shares outstanding, voting separately as a single class.

(c) Conversion Upon Capital Reorganization, Merger or Sale of Assets. If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares) or a merger or consolidation of the Corporation with or into another corporation or the sale of all or substantially all of the Corporation's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the holders of the Preferred Shares shall be entitled to convert their Preferred Shares into shares of Common Stock in accordance with Section 2.2.6(a) above and thereafter receive the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such reorganization, merger, consolidation or sale, to which a holder of a like number of shares of Common Stock would be entitled on such capital reorganization, merger, consolidation or sale.

(d) Surrender of Certificates. Upon the occurrence of a conversion specified in Section 2.2.6, the holders of such Preferred Shares shall surrender the certificates representing such shares at the office of the Corporation or of its transfer agent for the Common Stock. Thereupon, the Corporation or its transfer agent shall issue and deliver to such holder a certificate or certificates for the number of shares of Common Stock into which the Preferred Shares surrendered were convertible on the date on which such conversion occurred. The Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such Preferred Shares being converted are delivered to the Corporation or any such transfer agent or the holder notifies the Corporation or any such 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 therewith.

(e) Conversion Rates. The conversion rate for the Preferred Shares in effect at any time (the "*Conversion Rate*") shall be the quotient obtained by dividing the applicable Original Issue Price by the Conversion Value, calculated as provided in Section 2.2.6(f).

(f) Conversion Values. The initial "*Conversion Value*" of the Preferred Shares shall be \$1.00, provided that such amount shall be adjusted from time to time in accordance with this Section 2.2.6.

(g) Adjustments to Conversion Values for Certain Splits and Combinations. The Conversion Value shall be subject to adjustment from time to time as follows:

(1) In the event the Corporation should at any time or from time to time after the date upon which any shares of Series AA Preferred were first issued (the "*Issuance 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 Conversion Value shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each Preferred Share 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 2.2.6(h)(2)(E).

(2) If the number of shares of Common Stock outstanding at any time after the Issuance Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Value shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each Preferred Share shall be decreased in proportion to such decrease in outstanding shares of Common Stock.

(h) Conversion Value Adjustments for Certain Dilutive Issuances.

(1) Additional Stock. For purposes of this Section 2.2.6(h), the term "***Additional Stock***" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection 2.2.6(h)(2)(E)) by the Corporation after the Issuance Date other than:

(A) Common Stock issued pursuant to a transaction described in Section 2.2.6(g),

(B) Common Stock issuable or issued to employees, consultants, officers or directors of the Corporation directly or pursuant to a stock option plan or stock purchase plan approved by a majority of the Board of Directors of the Corporation, up to a maximum of 15% of the fully-diluted capital stock of the Corporation (assuming the conversion to Common Stock of all convertible securities and the exercise of all outstanding options and warrants as well as any shares authorized but not yet granted pursuant to any such plans),

(C) Capital stock, or options or warrants to purchase capital stock, issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings or similar transactions that are approved by the Board of Directors of the Corporation,

(D) Capital stock or warrants or options to purchase capital stock issued in connection with bona fide acquisitions, mergers or similar transactions, the terms of which are approved by the Board of Directors of the Corporation,

(E) Securities issued in a public offering,

(F) Shares of Common Stock issued upon conversion of Preferred Shares at any time outstanding,

(G) Shares of Common Stock (subject to adjustment for stock splits, stock dividends and the like) issuable upon exercise of options and warrants outstanding on the Issuance Date,

(H) Preferred Shares issued upon exercise of warrants to acquire up to 600,000 shares of Series AA Preferred, and

(I) Up to 6,500,000 shares of Series AA Preferred.

(2) Adjustment of Conversion Values. The Conversion Value shall be subject to adjustment from time to time as follows:

(A) If the Corporation shall issue, after the Issuance Date, any Additional Stock without consideration or for a consideration per share less than the Conversion Value in effect immediately prior to the issuance of such Additional Stock (a "*Dilutive Issuance*"), then and in each such case, the then-existing Conversion Value shall be reduced, as of the opening of business on the date of such issuance, to a price equal to an amount determined by multiplying such then-existing Conversion Value by a fraction:

(i) the numerator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such Additional Stock (calculated on a fully diluted basis assuming the exercise or conversion of all presently exercisable options, warrants, purchase rights or convertible securities), plus (b) the number of shares of Common Stock that the net aggregate consideration, if any, received by the Corporation for the total amount of such Additional Stock so issued would purchase at the Conversion Value in effect immediately prior to such issuance, and

(ii) the denominator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such Additional Stock (calculated on a fully diluted basis assuming the exercise or conversion of all presently exercisable options, warrants, purchase rights or convertible securities), plus (b) the number of shares of such Additional Stock so issued.

(B) No adjustment of the Conversion Value shall be made in an amount less than one cent (\$0.01) per share, provided that any adjustments that 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 (3) years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subparagraphs (h)(2)(E)(iii) and (iv), no adjustment of such Conversion Value pursuant to this subsection (h)(2) shall have the effect of increasing the Conversion Value above the Conversion Value in effect immediately prior to such adjustment.

(C) In the case of the issuance of Additional 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.

(D) In the case of the issuance of Additional 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) In the case of the issuance (whether before, on or after the Issuance 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 2.2.6(h)(2) and Section 2.2.6(g):

(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 subsections (h)(2)(C) and (h)(2)(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 subsections (h)(2)(C) and (h)(2)(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 Conversion Value, 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 Conversion Value, 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 that 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.

(v) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subsections (h)(2)(E)(i) and (ii) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection (h)(2)(E)(iii) or (iv).

(i) Certificate of Adjustment. Upon the occurrence of each adjustment or readjustment of the Conversion Value pursuant to Section 2.2.6(h), the Corporation shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the method of calculation upon which such adjustment or readjustment is based.

(j) Cash in Lieu of Fractional Shares. No fractional shares of Common Stock shall be issued upon the conversion of Preferred Shares. Instead of any fractional shares of Common Stock that would otherwise be issuable upon conversion of Preferred Shares, the Corporation shall pay to the holder of the Preferred Shares that were converted a cash adjustment in respect of such fractional shares in an amount equal to the product of such fractional amount multiplied by the market price per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the date of conversion. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of Preferred Shares being converted at any one time by any holder thereof, not upon each Preferred Share being converted.

(k) Reservation of Common Stock. 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 Preferred Shares, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares. 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 Preferred Shares, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(l) Status of Converted Stock. In the event any Preferred Shares shall be converted pursuant to Section 2.2.6 hereof, the shares so converted shall be canceled and shall not be issuable by the Corporation.

(m) If at any time any shares of Series AA Preferred are converted into Common Stock there are any accrued but unpaid dividends on such shares, then the Corporation at its option shall either pay the unpaid dividends or issue additional shares of Common Stock in the amount of the unpaid dividends at the applicable fair market value for such shares then in effect.

2.2.7 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 2.2.6(g), then, in each such case for the purpose of this Section 2.2.7, the holders of Preferred Shares 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 into which their Preferred Shares are convertible as of the record date fixed for the determination of the holders of Common Stock entitled to receive such distribution.

2.2.8 Protective Provisions

Without the approval of holders of at least 66-²/₃% of the outstanding shares of Series AA Preferred, the Corporation shall not, whether by merger, consolidation or otherwise:

(a) amend any provision of the Corporation's Articles of Incorporation or Bylaws in a manner that materially and adversely affects the rights and preferences of the holders of the Series AA Preferred; *provided*, that any increase in the Corporation's authorized shares of capital stock or any authorization, reclassification or issuance of any shares of any additional class or series of Preferred Stock shall be deemed to materially and adversely affect the rights and preferences of the holders of the Series AA Preferred;

(b) take any action that changes or alters the rights, preferences or privileges of the Preferred Shares so as to materially and adversely affect the Series AA Preferred.

(c) effect any merger or consolidation of the Corporation or any of its subsidiaries with or into another corporation, any transaction or series of related transactions in which more than 50% of the Corporation's voting power is transferred or any sale or conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries other than (1) a merger or consolidation with or into a wholly owned subsidiary of the Corporation or any of such a subsidiary's subsidiaries; or (2) a merger or consolidation effected for the purpose of changing the domicile of the Corporation or any of its subsidiaries;

(d) establish any joint venture either directly or indirectly through any subsidiary;

(e) pay or declare any dividends on the Common Stock or make any repurchase of Common Stock (other than repurchases made upon termination of an officer, employee, director or consultant pursuant to an option agreement, restricted stock purchase agreement or similar agreement);

(f) hire or terminate the employment of the CEO and CFO of the Corporation or any of its subsidiaries;

(g) incur indebtedness for borrowed money in excess of \$100,000 in any fiscal year;

(h) enter into any transaction with any affiliate (as defined pursuant to Rule 405 promulgated under the Securities Act of 1933, as amended) of the Corporation (or of any of its subsidiaries thereof) outside of the ordinary course of business;

(i) grant any registration rights on terms more favorable than the registration rights granted pursuant to that certain Fourth Amended and Restated Shareholders Agreement among the Corporation and certain of its shareholders; or

(j) change the size of the Corporation's Board of Directors.

2.2.9 Right to Elect Directors

The holders of Series AA Preferred shall have the right, voting separately as a class, to elect four directors (herein referred to as the "*Series AA Directors*"). Such Directors shall be elected exclusively by the affirmative vote of the holders of record of at least $66\frac{2}{3}\%$ of the outstanding shares of Series AA Preferred, respectively, either at meetings of shareholders at which directors are elected, a special meeting of holders of Series AA Preferred, or by written consent without a meeting in accordance with the Act. The Directors so elected shall serve for a term of one year and until their successors are elected and qualified, or until their earlier death, removal or resignation. Any vacancy in the position of a Series AA Director may be filled only by the holders of Series AA Preferred. The Series AA Directors may, during their term of office, be removed at any time, with or without cause, by and only by the affirmative vote at a special meeting of holders of Series AA Preferred, called for such purpose of the holders of record of at least $66\frac{2}{3}\%$ of the outstanding shares of Series AA Preferred. Any vacancy created by such removal may also be filled at such meeting or by the written consent of the holders of record of a majority of the outstanding shares of Series AA Preferred.

2.2.10 Redemption

(a) If the holders of at least $66\frac{2}{3}\%$ of the outstanding shares of Series AA Preferred, as applicable, submit to the Corporation notice of their election for redemption no later than December 31, 2009, the Corporation shall (unless otherwise agreed by the parties) redeem all outstanding shares of Series AA Preferred, in three installments on May 31, 2010, May 31, 2011, and May 31, 2012 (each, a "*Redemption Date*"), from any funds legally available for such purpose. The number of shares to be redeemed from each holder on any Redemption Date shall equal the total number of shares of Series AA Preferred held by such holder on the date of the Redemption Notice (as defined below), divided by the number of Redemption Dates remaining as of the date of the Redemption Notice, minus the number of shares of Series AA Preferred, that such holder converts into Common Stock after the date of the Redemption Notice and prior to such Redemption Date. The Corporation shall effect such redemption by paying cash in an amount equal to \$1.00 per Preferred Share (as adjusted for any stock dividends, combinations or splits with respect to such shares) plus all accrued or declared but unpaid dividends on such shares. Any amount paid to redeem the outstanding Preferred Shares pursuant to this Section 2.2.10(a) shall be referred to as the "*Redemption Price*."

(b) If the funds of the Corporation legally available for redemption of shares of Series AA Preferred, on any Redemption Date are insufficient to redeem the total

number of shares of Series AA Preferred, to be redeemed on such date, those funds that are legally available will be used to redeem shares from the holders of Series AA Preferred, ratably in proportion to the aggregate Redemption Price that would be payable to each holder if all shares required to be redeemed were being redeemed. The shares of Series AA Preferred, not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein, including the rights of conversion set forth herein. If any time thereafter additional funds become legally available for the redemption, such funds immediately will be used to redeem the balance of the shares that the Corporation had become obliged to redeem on any Redemption Date but that it has not redeemed.

(c) At least thirty days prior to each Redemption Date, the Corporation shall mail a redemption notice (the "*Redemption Notice*"), first class postage prepaid, to each holder of record of Preferred Shares as of the close of business two business days preceding the mailing date, at the address last shown on the records of the Corporation for such holder. The Redemption Notice shall specify the number of shares to be redeemed from such holder, the Redemption Date, the Redemption Price and the place at which payment may be obtained, and shall call upon such holder to surrender to the Corporation, in the manner and at the place designated, the certificate or certificates representing the shares to be redeemed. On or after the Redemption Date, each holder of Preferred Shares to be redeemed shall surrender to the Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice. Each surrendered certificate shall be cancelled, and the Redemption Price for such shares shall then be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. If less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. Nothing herein shall be deemed to prevent a holder of Preferred Shares from converting all or part of such holder's shares into Common Stock in accordance with the terms of Section 2.2.6 hereof at any time prior to a Redemption Date covering such shares, and the provisions of this Section 2.2.10 shall not apply to any shares so converted.

(d) From and after the Redemption Date, unless there has been a default in payment of the Redemption Price, the Preferred Shares designated for redemption in the Redemption Notice shall cease to be outstanding and shall no longer be transferred on the books of the Corporation, and all rights of the holders with respect to such shares shall cease, except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates.

(e) Except as provided in this Section 2.2.10, the Corporation shall have no right to redeem the Preferred Shares. Any Preferred Shares so redeemed shall be permanently retired, shall no longer be deemed outstanding and shall not under any circumstances be reissued, and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the number of shares of authorized Series AA Preferred, accordingly.

ARTICLE III

No Pre-Emptive Rights

The shareholders of the Corporation shall have no statutory pre-emptive rights to acquire additional shares of capital stock of the Corporation.

ARTICLE IV

Cumulative Voting

The shareholders of this Corporation shall not be entitled to cumulative voting at any election of directors.

ARTICLE V

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 is taken by written consent of all shareholders entitled to vote on the action; or

(ii) So long as the Corporation does not have any capital stock registered under the Securities Exchange Act of 1934, as amended, the action is taken by written consent of 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 of any such action is required by law to be given to nonconsenting or nonvoting shareholders, such notice shall be made before the date on which the action becomes effective.

ARTICLE VI

Limitation of Liability

A director of this Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions that involve intentional misconduct by the director or a knowing violation of law by the director, (ii) for conduct violating RCW 23B.08.310 of the Act, or (iii) for 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 the Act is amended in the future to authorize corporate action further eliminating or limiting the

personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the full extent permitted by the Act, as so amended, without any requirement of further action by the shareholders.

ARTICLE VII

Indemnification

The Corporation shall indemnify any individual made a party to a proceeding because that individual is or was a director of the Corporation and shall advance or reimburse the reasonable expenses incurred by such individual in advance of final disposition of the proceeding, without regard to the limitations in RCW 23B.08.510 through 23B.08.550 of the Act, or any other limitation that may hereafter be enacted to the extent such limitation may be disregarded if authorized by the articles of incorporation, to the full extent and under all circumstances permitted by applicable law.

Any repeal or modification of this Article by the shareholders of this Corporation shall not adversely affect any right of any individual who is or was a director of the Corporation, which existed at the time of such repeal or modification.

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SIGNATURE PAGE TO

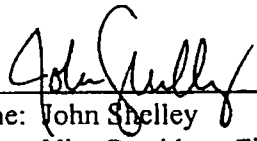
APEX LEARNING INC.

FOURTH AMENDED AND RESTATED ARTICLES OF

INCORPORATION

DATED this 14 day of June, 2005.

APEX LEARNING INC.

By: 
Name: John Shelley
Title: Vice President, Finance

RESTATEMENT CERTIFICATE

Pursuant to the provisions of RCW 23B.10.070 of the Washington Business Corporation Act, the undersigned hereby certifies as follows:

1. I am the duly elected Vice President, Finance of Apex Learning Inc., (the "Corporation"), and I am authorized to execute and deliver this Certificate on behalf of the Corporation.

2. Attached hereto as *Exhibit A* is a true and accurate copy of the Fourth Amended and Restated Articles of Incorporation of the Corporation (the "Amended and Restated Articles"), the original of which is being submitted with this Certificate for the purpose of amending and restating the Articles of Incorporation of the Corporation.

3. The Amended and Restated Articles amend the Third Amended and Restated Articles of Incorporation of the Corporation (the "Articles") in their entirety and restate the Amended and Restated Articles of Incorporation of the Corporation. Each section of the Articles was in effect amended by the Amended and Restated Articles.

4. The Amended and Restated Articles were duly adopted by the Board of Directors of the Corporation pursuant to a consent signed by all of the directors in accordance with the provision of RCW 23B.10.030, RCW 23B.10.040 and RCW 23B.07.040, as of May 23, 2005.

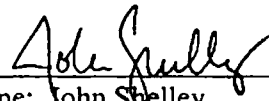
5. The Amended and Restated Articles were duly adopted by the shareholders of the Corporation pursuant to a consent signed by two-thirds (2/3rds) of the shareholders in accordance with the provisions of RCW 23B.10.030, RCW 23B.10.040 and RCW 23B.07.040, as of June 13, 2005.

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**SIGNATURE PAGE TO
RESTATEMENT CERTIFICATE**

Dated as of the 14 day of June, 2005.

APEX LEARNING INC.

By: 
Name: John Stelley
Title: Vice President, Finance

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