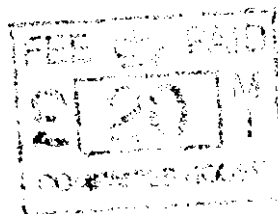




CHFP001



748295

691

This form must be completed for all
'Place of Business' registrations.
(See note below for re-registration
from a 'Branch')

This form should be completed in black

Return and declaration delivered for registration of a place of business of an overseas company

(Pursuant to section 691 of the Companies Act 1985)

Previous branch number
(if applicable)

Company name

Country of incorporation

For official
use only FC24226

Terabeam Corporation

United States of America

Address of place of business in
Great Britain

Terabeam Corporation

Barham Court Business Centre - The Britannia Suite

Post town Teston Maidstone

County / Region Kent, England

Postcode ME18 5BZ



Either

Constitution of the company

(See notes 1 and 2)
(A certified English translation must
be included)

* Delete as applicable

Mark appropriate box(es)

The company must deliver
certified copies of its
constitutional documents
(with certified translations),
and the particulars of the
company's directors and
secretary.
However, if the company is
closing a branch registration
and effecting a place of business
registration, it may rely on the
documents or the particulars of
the directors and secretary
previously filed in
that part of Great Britain, provided
any relevant alterations to those
documents have been updated
on the register.

A certified copy of the

#

Instrument(s) constituting or defining the constitution of
the company; and

A certified translation

* is/are delivered for registration

OR

The

#



The constitutional documents (and a certified translation *)

* and / or



Particulars of the current directors and secretary(ies)

were previously delivered in respect of a branch of the company
registered at this registry

Branch Number

Directors (See notes 3, 4 and 5)**Name**

*Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

☐ CD Mr

Daniel, Ryan

Hesse

☐ AD 10428 NE 52nd Street

Post town Kirkland

County/Region WA

Postcode 98034

Country USA

Day Month Year

Date of birth

☐ DO 1, 8 1, 0 1, 9 5, 3Nationality ☐ NA American☐ OC CHAIRMAN & DIRECTOR☐ OD —**Name**

*Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

* Voluntary details

☐ CD Mr

Vern

Fotheringham

☐ AD 17350 NE 152nd Street

Post town Woodinville

County/Region WA

Postcode 98072

Country USA

Day Month Year

Date of birth

☐ DO 1, 9 0, 5 1, 9 4, 8Nationality ☐ NA American☐ OC☐ OD

Directors (See notes 3, 4 and 5)**Name** *Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

Date of birth

(See note 5)

Business occupation
(if any). If none
other directorships.

CD Mr

Vern

Fotheringham

AD 17350 NE 152nd Street

Post town Woodinville

County/Region WA

Postcode 98072

Country USA

Day Month Year

DO 1, 9 0, 5 1, 9 4, 8Nationality **NA** American**OC** DIRECTOR**OD** —**Name** *Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

Date of birth

(See note 5)

Business occupation
(if any). If none
other directorships.

CD Mr

John

Gerdelman

AD 8304 Summerwood Drive

Post town McLean

County/Region VA

Postcode 22102

Country USA

Day Month Year

DO 2, 9 0, 9 1, 9 5, 2Nationality **NA** American**OC** DIRECTOR**OD** —

* Voluntary details

Directors (See notes 3, 4 and 5)**Name**

*Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

CD Mr

Keith

Grinstein

AD 427 Lake Washington Blvd

Post town Seattle

County/Region WA

Postcode 98122

Country USA

Day Month Year

Date of birth

DO 1, 7, 0, 6, 1, 9, 6, 0Nationality **NA** American**OC** DIRECTOR**OD** —**Name**

*Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

CD Mr

Richard, Castle

Hedreen

AD 836 36th Avenue East

Post town Seattle

County/Region WA

Postcode 98112

Country USA

Day Month Year

Date of birth

DO 1, 5, 0, 4, 1, 9, 3, 5Nationality **NA** American**OC** DIRECTOR**OD** —

* Voluntary details

Directors (See notes 3, 4 and 5)**Name**

*Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

CD Dr

Masahiro

Kawahata

AD 3 Spanish Bay Circle

Post town Pebble Beach

County/Region CA

Postcode 93953

Country USA

Day Month Year

Date of birth

DO 0, 8 0, 9 1, 9 3, 6Nationality **NA** Japanese**OC** DIRECTOR**OD** —**Name**

*Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

CD Mr

Clark

McLeod

AD 232 Rosedale Road SE

Post town Cedar Rapids

County/Region IA

Postcode 52403

Country USA

Day Month Year

Date of birth

DO 2, 9 1, 1 1, 9 4, 6Nationality **NA** American**OC** DIRECTOR**OD** —

* Voluntary details

Directors *(See notes 3, 4 and 5)***Name** *Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

CD Mr

Gary

Rieschel

AD 14583 Clearview Drive

Post town Los Gatos

County/Region CA

Postcode 95032

Country USA

Day Month Year

Date of birth

DO 1 7 0 4 1 9 5 6Nationality **NA** American**OC** DIRECTOR**OD****Name** *Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

(See note 5)

Business occupation
(if any). If none
other directorships.

Date of birth

DONationality **NA****OC****OD**

* Voluntary details

Company Secretary(ies)*(See notes 4 and 6)***Name** *Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

CS Mr

Scott

Morris

AD 7511 Champagne Point Road

Post town Kirkland

County/Region WA

Postcode 98034

Country American

Name

*Style/Title

Forenames

Surname

*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.
In the case of a corporation, give the
registered or principal office address.

CS Mr

Bill

Bromfield

AD 13229 Millstone P1 NE

Post town Bainbridge Island

County/Region WA

Postcode 98110

Country American

Person(s) authorised

List of some one or more
persons resident in Great
Britain authorised to accept
on the company's behalf
service of process and any
notice required to be
served on it.

*Style/Title

Forenames

Surname

Address

JORDAN COMPANY SECRETARIES LIMITED

20-22 BEDFORD ROW

Post town LONDON

County/Region

Postcode WC1R 4JS

*Voluntary details

Declaration (See note 8)

Full name and address

I Scott Morris

of (address) 12413 Willows Road NE, Kirkland, WA 98034-8711

[†] delete as applicable

a ~~director~~[†]/secretary/~~person~~[†] authorised to accept on the company's behalf service of process or any notices required to be served on it, do solemnly and sincerely declare that the company established its place of business in Great Britain on

Day Month Year

0 | 1 | 1 | 0 | 2 | 0 | 0 | 2

(enter date)

and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Signed



Declared at

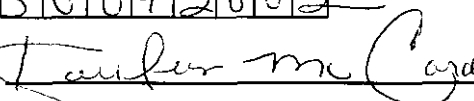
State of Washington
County of King
United States of America

on

Day Month Year

3 | 0 | 0 | 9 | 2 | 0 | 0 | 2

before me



A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor having the powers conferred on a Commissioner for Oaths. (See note 8)

Number of continuation sheets attached ☐

To whom should Companies House direct any enquiries about the information on this form?

JORDANS LIMITED TX9362/BK
20-22 BEDFORD ROW
LONDON WC1R 4JS Postcode _____
Telephone 020 7400 3317 Extension _____

Please ensure the form is fully completed and then send it to the Registrar of Companies at
(See note 9)

Companies House, Crown Way, Cardiff CF14 3UZ
for companies establishing a place of business in England and Wales.

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
for companies establishing a place of business in Scotland.

STATE of WASHINGTON



SECRETARY of STATE

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal,

hereby certify by this certificate that the attached is a true and correct copy of

ARTICLES OF INCORPORATION

of

TERABEAM CORPORATION

as filed in this office on December 12, 1997.



Date: October 21, 2002

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


ek
Sam Reed, Secretary of State

STATE of WASHINGTON



SECRETARY of STATE

I, RALPH MUNRO, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF INCORPORATION

to

TERABEAM CORPORATION

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

UBI Number: 601 838 459

Date: December 12, 1997



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

RALPH H. MUNRO

Ralph Munro, Secretary of State
2-570696-1

601 838 454
2-570696-1

FILED
STATE OF WASHINGTON

DEC 12 1997

RALPH MUNRO
SECRETARY OF STATE

1997 12/12/97 09:34:45
11:00:00 AM
12/12/97 9

**ARTICLES OF INCORPORATION
OF
TERABEAM CORPORATION**

For the purpose of forming a corporation under the laws of the State of Washington, the undersigned, being over the age of eighteen (18) years, adopts in duplicate the following Articles of Incorporation:

**ARTICLE I
Name**

The name of the corporation is TeraBeam Corporation.

**ARTICLE II
Authorized Capital**

2.1 Authorized Capital

The total authorized stock of this corporation shall consist of One Hundred Million (100,000,000) shares of stock, of which Seventy Million (70,000,000) shares shall be Common Stock with no par value per share, and Thirty Million (30,000,000) shares shall be Preferred Stock.

2.2 Issuance of Preferred Stock in Series

The Preferred Stock may be issued from time to time in one or more series, the shares of each series to have such voting powers, full or limited, and such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as are stated and expressed herein or in the resolution or resolutions providing for the issue of such series adopted by the board of directors.

2.2.1 Authority of the Board of Directors

Authority is hereby expressly granted to the board of directors of this corporation, subject to the provisions of this Article II and to the limitations prescribed by law, to authorize the issue of one or more series of Preferred Stock, and with respect to each such series to fix by resolution or resolutions providing for the issue of each series the number of shares of such series, the voting powers, full or limited, if any, of the shares of such series and the designations, preferences and relative, participating, optional or other special rights and the qualifications, limitations or restrictions thereof. The authority of the board of directors with respect to each series of Preferred Stock shall include, but not be limited to, the determination or fixing of the following:

- (a) The number of shares of such series;
- (b) The designation of such series;

(c) The dividends of such series, the conditions and dates upon which such dividends shall be payable, the relation which such dividends shall bear to the dividends payable on any other class or classes of stock and whether such dividends shall be cumulative or noncumulative;

(d) Whether the shares of such series shall be subject to redemption by this corporation and, if made subject to such redemption, the times, prices, rates, adjustments, and other terms and conditions of such redemption;

(e) The terms and amounts of any sinking fund provided for the purchase or redemption of the shares of such series;

(f) Whether or not the shares of such series shall be convertible into or exchangeable for shares of any other class or classes or of any other series of any class or classes of stock of this corporation and, if provision be made for conversion or exchange, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange;

(g) The extent, if any, to which the holders of the shares of such series shall be entitled to vote with respect to the election of directors or otherwise, including the right to elect a specified number or class of directors, the number or percentage of votes required for certain actions, and the extent to which a vote by class or series shall be required for certain actions;

(h) The restrictions, if any, on the issue or reissue of any Preferred Stock;

(i) The rights of the holders of the shares of such series upon the dissolution of, or upon the distribution of the assets of, this corporation; and

(j) The extent, if any, to which any committee of the board of directors may fix the designations and any of the preferences or rights of the shares of such series relating to dividends, redemption, dissolution, any distribution of assets of this corporation or the conversion into or exchange of such shares for shares of any other class or classes of stock of this corporation or any other series of the same, or fix the number of shares of any such series or authorize the increase or decrease in the shares of such series.

2.2.2 Dividends

Subject to any preferential rights granted for any series of Preferred Stock, the holders of shares of the Common Stock shall be entitled to receive dividends, out of the funds of this corporation legally available therefor, at the rate and at the time or times, whether cumulative or noncumulative, as may be provided by the board of directors. The holders of shares of the Preferred Stock shall be entitled to receive dividends to the extent provided herein or by the board of directors in designating the particular series of Preferred Stock. The holders of shares of the Common Stock shall not be entitled to receive any dividends thereon other than the dividends referred to in this section.

2.2.3 Voting

The holders of shares of the Common Stock, on the basis of one vote per share, shall have the right to vote for the election of members of the board of directors of this corporation and the right to vote on all other matters, except those matters on which a separate class of this corporation's shareholders vote by class or series to the exclusion of the holders of the shares of the Common Stock. To the extent provided herein or by resolution or resolutions of the board of directors providing for the issue of a series of Preferred Stock, the holders of each such series shall have the right to vote for the election of members of the board of directors of this corporation and the right to vote on all other matters, except those matters in which a separate class of this corporation's shareholders vote by class or series to the exclusion of the holders of the shares of such series.

2.2.4 Issuance of Shares

This corporation may from time to time issue any of the authorized and unissued shares of the Common Stock or the Preferred Stock for such consideration as may be fixed from time to time by the board of directors, without action by the shareholders. The board of directors may provide for payment therefor to be received by this corporation in cash, property, services or such other consideration as is approved by the board of directors. Any and all such shares of the Common Stock or the Preferred Stock of this corporation, the issuance of which has been so authorized, and for which consideration so fixed by the board of directors has been paid or delivered, shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon.

ARTICLE III Shareholder Rights

3.1 The shareholders of the corporation do not have preemptive rights to acquire proportional amounts of the corporation's unissued shares upon the decision of the Board of Directors to issue them.

3.2 The shareholders of the corporation do not have cumulative voting rights with respect to the election of Directors of the corporation.

ARTICLE IV Director Liability

A Director of the corporation will incur no personal liability to the corporation or to its shareholders for monetary damages for conduct as a Director, except to the extent the Director is held accountable for (i) acts or omissions which involve intentional misconduct or a knowing violation of law, (ii) conduct violating RCW 23B.08.310, as amended, or (iii) any transaction from which the Director personally obtained a benefit in money, property, or services to which the Director is not legally entitled. If the Washington Business Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director to the corporation will be eliminated or limited to the fullest extent permitted by the Washington Business Corporation Act, as so amended. Any repeal or modification of this paragraph by the shareholders of the corporation will not adversely affect any right or protection of a Director of the corporation existing at the time of the repeal or modification.

ARTICLE V
Board of Directors

The initial Director of the corporation and his address is as follows:

Name	Address
Greg Amadon	c/o Amadon & Associates 1017 E. Blaine St. Seattle, WA 98102

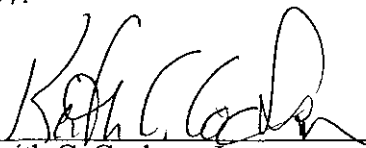
ARTICLE VI
Registered Agent and Office

The name and street address of the initial registered agent of the corporation are G&D, Inc., 1420 Fifth Avenue, Suite 3300, Seattle, Washington 98101-2390.

ARTICLE VII
Incorporator

The name and address of the incorporator of the corporation are Keith C. Cochran, Graham & Dunn, 1420 Fifth Avenue, Suite 3300, Seattle, Washington 98101-2390.

DATED this 11th day of December, 1997.



Keith C. Cochran, Incorporator

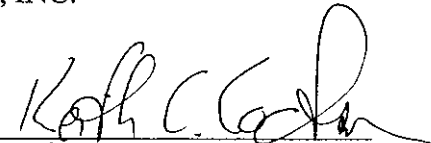
**CONSENT TO SERVE AS REGISTERED AGENT
FOR
TERABEAM CORPORATION**

G&D, Inc., hereby consents to serve as registered agent in the State of Washington for TeraBeam Corporation, a Washington corporation. G&D, Inc. understands that as agent for the corporation it will be its responsibility to receive service of process in the name of the corporation, to forward all mail to the corporation, and to immediately notify the Office of the Secretary of State in the event of its resignation or of any change in the registered office address of the corporation.

DATED this 11th day of December, 1997.

G & D, INC.

By: _____


Keith C. Cochran,
Assistant Secretary

Street Address:

1420 Fifth Avenue
Suite 3300
Seattle, Washington 98101-2390

j:\c07935\m18414\00301

STATE of WASHINGTON



SECRETARY of STATE

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

hereby certify by this certificate that the attached is a true and correct copy of

ARTICLES OF AMENDMENT

of

TERABEAM CORPORATION

as filed in this office on January 5, 2000.



Date: October 21, 2002

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


ek
Sam Reed, Secretary of State

STATE of WASHINGTON



SECRETARY of STATE

I, RALPH MUNRO, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF AMENDMENT

to

TERABEAM CORPORATION

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

UBI Number: 601 838 459

Date: January 05, 2000



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

Ralph Munro, Secretary of State
2-570696-1

ARTICLES OF AMENDMENT
OF
TERABEAM CORPORATION

FILED
STATE OF WASHINGTON

JAN 05 2000

RALPH MUNRO
SECRETARY OF STATE

Pursuant to RCW 23B.10.160, the undersigned officer of TeraBeam Corporation, a Washington corporation (hereinafter called the "Corporation"), does hereby submit for filing these Articles of Amendment:

1. The name of the Corporation is TeraBeam Corporation.
2. The Articles of Incorporation of the Corporation are hereby amended by adding the following new articles:

ARTICLE VIII. STAGGERED BOARD OF DIRECTORS

The board of directors shall be divided into three classes: Class I, Class II, and Class III. Such classes shall be as nearly equal in number of directors as possible. Each director shall serve for a term ending at the third annual shareholders' meeting following the annual meeting at which such director was elected, provided that for purposes of implementing this provision after adoption, elections for Class I and Class II directors shall occur at the first and second annual meetings following adoption, respectively.

At each annual election, the directors chosen to succeed those whose terms then expire shall be identified as being of the same class as the directors they succeed, unless, by reason of any intervening changes in the authorized number of directors, the board of directors shall designate one or more directorships whose terms then expire as directorships of another class in order more nearly to achieve equality in the number of directors among the classes. When the board of directors fills a vacancy resulting from the death, resignation or removal of a director, the director chosen to fill that vacancy shall be of the same class as the director he succeeds.

Notwithstanding any of the foregoing provisions of Article VIII, in all cases, including upon any change in the authorized number of directors, each director then continuing to serve as such will nevertheless continue as a director of the class of which he is a member, until the expiration of his current term or his earlier death, resignation or removal. Any vacancy to be filled by reason of an increase in the number of directors may be filled by the

board of directors for a term of office continuing only until the next election of directors by the shareholders.


Notwithstanding anything contained in this Article VIII to the contrary, the classification of directors as provided in this Article VIII may be altered or eliminated only by an amendment to this Article approved by two-thirds of the votes entitled to be cast by each voting group entitled to vote on such amendment.

ARTICLE IX. SHAREHOLDERS ACTIONS WITHOUT A MEETING OR VOTE

Fewer than all shareholders entitled to vote may take any action permitted by law without a meeting or a vote in accordance with RCW 23B.07.040 so long as (i) the taking of action by the shareholders is evidenced by one or more written consents describing the action, (ii) the written consents are dated and signed by the shareholders 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, (iii) written notice of the taking of the action is given no less than two (2) days before the effective date of the action to all shareholders who have not consented; provided, however, if the action would constitute a significant business transaction under RCW 23B.19.020 (15), the written notice is given not less than twenty (20) days before the effective date of such action, (iv) if not previously provided, the written notice provided to nonconsenting shareholders contains or is accompanied by the same material that, under the Washington Business Corporation Act, would have been required to be sent to nonconsenting or nonvoting shareholders in a notice of meeting at which the proposed action would have been submitted for shareholder action, and (v) the corporation is not a public corporation for purposes of RCW 23B.07.040 (1)(ii).

3. The amendment of the Articles of Incorporation was duly adopted on October 25, 1999, pursuant to the provisions of RCW 23B.10.020, by written consent of all of the directors named in the articles of incorporation.
4. The amendment was adopted by shareholder action pursuant to RCW 23B.07.040.

EXECUTED this 16 day of December 1999.



Greg Amador
President

102860 v03.SE (27D803!.DOC) (#102860 v3 - W97 Articles of Amendment)
12/16/99 4:12 PM

STATE of WASHINGTON



SECRETARY of STATE

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

hereby certify by this certificate that the attached is a true and correct copy of

ARTICLES OF AMENDMENT

of

TERABEAM CORPORATION

as filed in this office on April 25, 2000.



Date: October 21, 2002

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


ek
Sam Reed, Secretary of State

STATE of WASHINGTON



SECRETARY of STATE

I, **RALPH MUNRO**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF AMENDMENT

to

TERABEAM CORPORATION

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

UBI Number: 601 838 459

Date: April 25, 2000



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



Ralph Munro, Secretary of State
2-570696-1

ARTICLES OF AMENDMENT
OF
TERABEAM CORPORATION

FILED
STATE OF WASHINGTON

APR 25 2000

Pursuant to RCW 23B.10.060, the undersigned officer of TeraBeam Corporation, a Washington corporation (the "Corporation") hereby adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is TeraBeam Corporation.

SECOND: The Articles of Incorporation of the Corporation are hereby amended by striking out Section 2.1 of Article II thereof and by substituting, in lieu of said Section 2.1, the following new Section 2.1 of Article II:

ARTICLE II
Authorized Capital

2.1 Authorized Capital


The total authorized stock of this corporation shall consist of Four Hundred Million (400,000,000) shares of stock, of which Two Hundred Eighty Million (280,000,000) shares shall be Common Stock with no par value per share, and One Hundred Twenty Million (120,000,000) shares shall be Preferred Stock.

THIRD: The amendment does not provide for an exchange, reclassification, or cancellation of issued shares.

FOURTH: The foregoing amendment was adopted by the Board of Directors of the Corporation on March 9, 2000. The foregoing amendment did not require shareholder approval or action pursuant to RCW 23B10.020(4).

Dated: April 21, 2000.

TERABEAM CORPORATION, a Washington
corporation

By: 
Daniel R. Hesse, President and Chief Executive Officer

STATE of WASHINGTON



SECRETARY of STATE

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

hereby certify by this certificate that the attached is a true and correct copy of

ARTICLES OF AMENDMENT

of

TERABEAM CORPORATION

CHANGING NAME TO TERABEAM NETWORKS, INC.

as filed in this office on July 13, 2000.



Date: October 21, 2002

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


ek
Sam Reed, Secretary of State

STATE of WASHINGTON



SECRETARY of STATE

I, RALPH MUNRO, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

CERTIFICATE OF AMENDMENT

to

TERABEAM CORPORATION

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

Changing name to TERABEAM NETWORKS, INC.

UBI Number: 601 838 459

Date: July 13, 2000



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

A handwritten signature of Ralph Munro is written over a horizontal line. The signature is in black ink and appears to be "R. H. Munro".

Ralph Munro, Secretary of State
2-570696-1

ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
TERABEAM CORPORATION

FILED
STATE OF WASHINGTON

JUL 13 2000

RALPH MUNRO
SECRETARY OF STATE

In accordance with the provisions of RCW 23B.10.060, Articles of Amendment of the Articles of Incorporation of TERABEAM CORPORATION, a Washington corporation ("the "Corporation"), executed by the Corporation, are submitted for filing.

1. The name of record of the Corporation is TERABEAM CORPORATION.
2. Article I of the Articles of Incorporation of the Corporation is amended as follows:

ARTICLE I

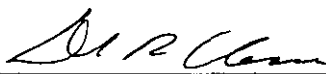
NAME

The name of the Corporation is TERABEAM NETWORKS, INC.

3. The above amendment was adopted June 20, 2000.
4. The above amendment was duly approved by the Board of Directors of the corporation, without shareholder action, in accordance with the provisions of Section 23B.10.020(5) of the Washington Business Corporation Act. Shareholder action was not required to effect this amendment.

The undersigned certifies that he is the President of the Corporation and has executed these Articles of Amendment in an official and authorized capacity under penalty of perjury this 12th day of July, 1999.

TERABEAM CORPORATION

By: 
Daniel R. Hesse, President

L:\corporation\corporate general\articles\Amendment of Articles changing name
7/12/00 3:47 PM

ARTICLES OF AMENDMENT OF
ARTICLES OF INCORPORATION

Page 1

Val: 07/13/2000 - 146114
\$50.00 on 07/13/2000
Check - 07/13/2000 - 3590411

STATE of WASHINGTON



SECRETARY of STATE

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal,

hereby certify by this certificate that the attached is a true and correct copy of

ARTICLES OF AMENDMENT

of

TERABEAM NETWORKS, INC.

CHANGING NAME TO TERABEAM CORPORATION

as filed in this office on January 10, 2001.



Date: October 21, 2002

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


ek
Sam Reed, Secretary of State

STATE of WASHINGTON



SECRETARY of STATE

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

CERTIFICATE OF AMENDMENT

to

TERABEAM NETWORKS, INC.

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

Changing name to TERABEAM CORPORATION

UBI Number: 601 838 459

Date: January 10, 2001



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

A handwritten signature in cursive script, reading "Sam Reed", is written over a horizontal line.

Sam Reed, Secretary of State
2-570696-1

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2001

Val: 01/10/2001 - 210224
\$295.00 on 01/10/2001
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ARTICLES OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
TERABEAM NETWORKS, INC.

FILED
STATE OF WASHINGTON

JAN 10 2001

In accordance with the provisions of RCW 23B.10.060, Articles of Amendment of the Articles of Incorporation of TERABEAM NETWORKS, INC., a Washington corporation ("the "Corporation"), executed by the Corporation, are submitted for filing.

1. The name of record of the Corporation is TERABEAM NETWORKS, INC.
2. Article I of the Articles of Incorporation of the Corporation is amended as follows:

ARTICLE I

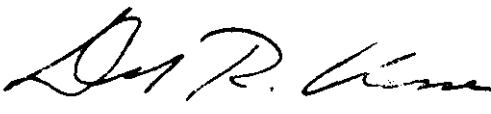
NAME

The name of the Corporation is TERABEAM CORPORATION.

3. The above amendment was adopted January 4, 2001.
4. The above amendment was duly approved by the Board of Directors of the corporation, without shareholder action, in accordance with the provisions of Section 23B.10.020(5) of the Washington Business Corporation Act. Shareholder action was not required to effect this amendment.

The undersigned certifies that he is the President of the Corporation and has executed these Articles of Amendment in an official and authorized capacity under penalty of perjury this 9th day of January, 2001.

TERABEAM NETWORKS, INC.

By: 

Daniel R. Hesse, President

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1/9/2001 10:53 AM

STATE of WASHINGTON



SECRETARY of STATE

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal,

hereby certify by this certificate that the attached is a true and correct copy of

ARTICLES OF MERGER

of

TERABEAM CORPORATION

MERGING TERABEAM LABS, LLC (A DE LIMITED LIABILITY COMPANY,
QUALIFIED IN WA) INTO TERABEAM CORPORATION

as filed in this office on April 22, 2002.



Date: October 21, 2002

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

A handwritten signature in cursive script, reading "Sam Reed", is written over a horizontal line.

Sam Reed, Secretary of State
ek

STATE OF WASHINGTON



SECRETARY OF STATE

TERABEAM CORPORATION

C/O SUZANNE FELDMAN
12413 WILLOWS RD NE
KIRKLAND WA 98034

ARTICLES OF MERGER

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that documents meeting Washington statutory requirements have been filed and processed with the Secretary of State on behalf of:

TERABEAM CORPORATION

A Washington Profit Corporation
UBI: 601 838 459
Filing Date: April 22, 2002

Merging Entities:

602 057 863 TERABEAM LABS, LLC



Given under my hand and the seal of the State of Washington at Olympia, the State Capital.

Sam Reed, Secretary of State

601-838-459

114-1482.0
2002

FILED
SECRETARY OF STATE
APR 22 2002
STATE OF WASHINGTON

ARTICLES OF MERGER
TERABEAM CORPORATION
AND
TERABEAM LABS, LLC

Pursuant to Section 23B.11.110 of the Washington Business Corporation Act and §18-209 of Title 6 of the Delaware Code, the following Articles of Merger are executed for the purpose of merging Terabeam Labs, LLC, a Delaware limited liability company (the "Disappearing Entity"), into Terabeam Corporation, a Washington corporation (the "Surviving Corporation").

1. The Agreement and Plan of Merger, which is attached hereto as **Exhibit A**, was duly approved by the Board of Directors of the Surviving Corporation. Approval of the shareholders of the Surviving Corporation is not required.

2. The Agreement and Plan of Merger was duly approved by the sole member of the Disappearing Entity pursuant to §18-209 of Title 6 of the Delaware Code.

Dated: April 3, 2002

TERABEAM CORPORATION
a Washington corporation



Daniel R. Hesse, Chairman, CEO and President

114-1482.0
APR 24/2002 - 114824
100.00 on 04/23/2002
Credit Card - 04/22/2002 - 0

114-1482.1
2002

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER
OF
TERABEAM CORPORATION
A WASHINGTON CORPORATION
and
TERABEAM LABS, LLC
A DELAWARE LIMITED LIABILITY COMPANY

This Agreement and Plan of Merger dated as of April 3, 2002 (this "Agreement") is between Terabeam Corporation, a Washington corporation ("Terabeam"), and Terabeam Labs, LLC, a Delaware limited liability company ("TBL"). Terabeam and TBL are sometimes referred to in this Agreement as the "Constituent Entities."

RECITALS

A. Terabeam is a corporation duly organized and existing under the laws of the state of Washington and has an authorized capital of 400,000,000 shares, 280,000,000 of which have been designated as common stock, no par value ("Common Stock"), and 120,000,000 shares of which have been designated as preferred stock, no par value ("Preferred Stock"). As of March 31, 2002, 133,109,533 shares of Common Stock were issued and outstanding and no shares of Preferred Stock were issued and outstanding.

B. TBL is a limited liability company duly organized and existing under the laws of the state of Delaware. All outstanding units of economic interest of TBL ("Units") are held by Terabeam, and Terabeam is the manager and sole member of TBL.

C. The Board of Directors of Terabeam and the manager and sole member of TBL have determined that it is advisable and in the best interests of TBL to merge with and into Terabeam upon the terms and conditions provided in this Agreement.

D. The Board of Directors of Terabeam and manager and sole member of TBL have approved this Agreement and the Merger as required by applicable law.

AGREEMENT

In consideration of the mutual agreements and covenants set forth herein, Terabeam and TBL hereby agree, subject to the terms and conditions hereinafter set forth, as follows:

1. **Merger.**

1.1 **Merger.** In accordance with the provisions of this Agreement, §18-209 of Title 6 of the Delaware Code (the "Delaware Code"), and the Washington Business Corporation Act (the "WBCA"), (a) TBL shall be merged with and into Terabeam (the "Merger"), (b) the separate existence of TBL shall cease and Terabeam shall be, and is sometimes referred to below as, the "Surviving Corporation," and (c) the name of the Surviving Corporation shall be Terabeam Corporation.

1.2 **Filing and Effectiveness.** The Merger shall become effective upon completion of the following actions:

(a) This Agreement and the Merger shall have been adopted and approved by the Board of Directors of Terabeam in accordance with the requirements of RCW 23B.11.040(2);

(b) Adoption and approval of this Agreement and the Merger by the sole member of TBL in accordance with the applicable requirements of the Delaware Code and the WBCA;

(c) The satisfaction or waiver of all of the conditions precedent to the consummation of the Merger as specified in this Agreement;

(d) The filing with the Secretary of State of Delaware of an executed Certificate of Merger meeting the requirements of §18-209 of Title 6 of the Delaware Code; and

(e) The filing with the Secretary of State of Washington of executed Articles of Merger meeting the requirements of the WBCA.

The date and time when the Merger becomes effective is referred to in this Agreement as the "Effective Date of the Merger."

1.3 **Effect of the Merger.** Upon the Effective Date of the Merger, the separate existence of TBL shall cease and Terabeam, as the Surviving Corporation, (a) shall continue to possess all of its assets, rights, powers and property as constituted immediately prior to the Effective Date of the Merger, (b) shall be subject to all actions previously taken by its Board of Directors and all actions of TBL, (c) shall succeed, without other transfer, to all of the assets, rights, powers and property of TBL in the manner more fully set forth in §18-209(g) of Title 6 of the Delaware Code, (d) shall continue to be subject to all of the debts, liabilities and obligations TBL as constituted immediately prior to the Effective Date of the Merger, and (e) shall succeed, without other transfer, to all of the debts, liabilities and obligations of TBL in the same manner as if Terabeam had itself incurred them, all as more fully provided under the applicable provisions of the Delaware Code and the WBCA.

2. **Charter Documents, Directors and Officers**

2.1 **Articles of Incorporation.** The Articles of Incorporation of Terabeam as in effect immediately prior to the Effective Date of the Merger shall continue in full force and effect as the Articles of Incorporation of the Surviving Corporation until duly amended in accordance with the provisions thereof and applicable law.

2.2 **Bylaws.** The Bylaws of Terabeam as in effect immediately prior to the Effective Date of the Merger shall continue in full force and effect as the Bylaws of the Surviving Corporation until duly amended in accordance with the provisions thereof and applicable law.

2.3 **Directors and Officers.** The directors and officers of Terabeam immediately prior to the Effective Date of the Merger shall be the directors and officers of the Surviving Corporation until their successors shall have been duly elected and qualified or as otherwise provided by law, the Articles of Incorporation of the Surviving Corporation or the Bylaws of the Surviving Corporation.

3. Manner of Conversion of the Units. Upon the Effective Date of the Merger, each Unit outstanding immediately prior thereto shall, by virtue of the Merger and without any action by the Constituent Entities, the holders of such Units or any other person, be canceled and retired, and no payment shall be made with respect thereto, and the Surviving Corporation shall assume all of TBL's liabilities and obligations as provided in Section 1.3 hereof.

4. General

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

4.3 **Abandonment.** At any time before the Effective Date of the Merger, this Agreement may be terminated and the Merger may be abandoned for any reason whatsoever by the Board of Directors of Terabeam or the sole member of TBL, or both, notwithstanding the approval of this Agreement by the sole member of TBL, or by both.

4.4 **Amendment.** The Board of Directors of Terabeam and the sole member of TBL may amend this Agreement at any time prior to the filing of this Agreement (or certificate in lieu thereof) with the Secretary of State of Delaware, provided that an amendment made subsequent to the adoption of this Agreement by the sole member of TBL shall not: (a) alter or change the amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such Constituent Entity, (b) alter or change any term of the Articles of Incorporation of the Surviving Corporation to be effected by the Merger, or (c) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class of shares or series of capital stock of the Surviving Corporation or the sole member of TBL.

4.5 **Registered Office.** The registered office of the Surviving Corporation in the State of Washington is located at 12413 Willows Road NE, Kirkland, WA 98034, and Scott Morris is the registered agent of the Surviving Corporation at such address.

4.6 **Agreement.** Executed copies of this Agreement will be on file at the principal place of business of the Surviving Corporation at 12413 Willows Road NE, Kirkland, WA 98034 and copies thereof will be furnished to any shareholder or member of either Constituent Entity, upon request and without cost.

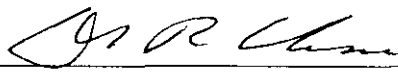
4.7 **Governing Law; Jurisdiction.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Washington, without giving effect to principles of conflicts of law. Each of the parties to this Agreement consents to the

exclusive jurisdiction and venue of the courts of the state and federal courts of King County, Washington.

4.8 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.


The undersigned authorized representatives of the Constituent Entities have executed and acknowledged this Agreement as of the date first set forth above.

TERABEAM CORPORATION
a Washington corporation

By: 
Name: Daniel R. Hesse
Title: Chairman, CEO and President

TERABEAM LABS, LLC
a Delaware limited liability company

By: Terabeam Corporation, its manager

By: 
Name: Daniel R. Hesse
Title: Chairman, CEO and President

STATE of WASHINGTON



SECRETARY of STATE

I, SAM REED, Secretary of State of the State of Washington and custodian of its seal,

hereby certify by this certificate that the attached is a true and correct copy of

ARTICLES OF MERGER

of

TERABEAM CORPORATION

MERGING HARMONIX CORPORATION (A MA CORPORATION NOT
QUALIFIED IN WA) INTO TERABEAM CORPORATION

as filed in this office on July 12, 2002.



Date: October 21, 2002

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

A handwritten signature of Sam Reed in cursive script.

Sam Reed, Secretary of State

STATE OF WASHINGTON



SECRETARY OF STATE

TERABEAM CORPORATION

C/O SCOTT MORRIS
12413 WILLOWS RD NE
KIRKLAND WA 98034

ARTICLES OF MERGER

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that documents meeting Washington statutory requirements have been filed and processed with the Secretary of State on behalf of:

TERABEAM CORPORATION

A Washington Profit Corporation
UBI: 601 838 459
Filing Date: July 12, 2002

Merging Entities:



Given under my hand and the seal of the State of Washington at Olympia, the State Capital.

Sam Reed, Secretary of State

196-1603.0
2002FILED
SECRETARY OF STATE

JUL 12 2002

STATE OF WASHINGTON

ARTICLES OF MERGER
OF
HARMONIX CORPORATION
INTO
TERABEAM CORPORATION

Pursuant to RCW 23B.11.030, 23B.11.050, and 23B.11.070 the undersigned corporation hereby submits the following Articles of Merger for filing with the Washington Secretary of State, for the purpose of merging Harmonix Corporation, a Massachusetts corporation (the "Disappearing Corporation"), with and into Terabeam Corporation, a Washington corporation (the "Surviving Corporation").

1. The Plan of Merger between the Disappearing Corporation and the Surviving Corporation, duly approved by the Surviving Corporation's Board of Directors, is attached hereto as Exhibit A and incorporated herein by this reference.

2. Shareholder approval of the merger by the shareholders of the Surviving Corporation was not required, pursuant to RCW 23B.11.030(7).

3. These Articles of Merger shall become effective as of 5:00 p.m. Pacific Time on the 12 day of July, 2002.

DATED this 12 day of July, 2002.

TERABEAM CORPORATION

By: 

Name: Michael Schwarz

Its: Chief Development Officer

196-1603, 1
2002

EXHIBIT A
PLAN OF MERGER

PLAN OF MERGER

BY AND BETWEEN

Terabeam Corporation, a Washington corporation,

AND

Harmonix Corporation, a Massachusetts corporation,

1.1 The Merger. At the Effective Time (as defined below) and subject to and upon the terms and conditions of the Agreement and Plan of Merger and Reorganization, dated as of July 12, 2002 (the "Agreement"), by and among Terabeam Corporation, a Washington corporation ("Terabeam"), Harmonix Corporation, a Massachusetts corporation (the "Company"), the stockholders of the Company (the "Stockholders"), and Heath & Co., a Massachusetts corporation ("Heath & Co."), the Articles of Merger attached to the Agreement as Exhibit 1.3 (the "Articles of Merger"), and in accordance with the applicable provisions of the Washington Business Corporation Act and the law of the Commonwealth of Massachusetts, the separate existence of the Company shall cease and the Company shall be merged with and into Terabeam (the "Merger"). Terabeam, as the surviving corporation after the Merger, is hereinafter sometimes referred to as the "Surviving Corporation." Capitalized terms used herein and not otherwise defined shall have the same meaning as in the Agreement.

1.2 Closing; Effective Time. Subject to the terms and conditions of the Agreement and the Articles of Merger, the closing of the Merger (the "Closing") shall take place concurrently with or immediately following the execution and delivery of the Agreement (the "Closing Date"). The Merger shall become effective on the date (the "Effective Date") and at the time (the "Effective Time") of filing of the Articles of Merger and this Plan of Merger with the Secretary of State of the State of Washington and the Secretary of State of the Commonwealth of Massachusetts or at such other time as may be specified in the Articles of Merger as filed.

1.3 Effect of the Merger. From and after the Effective Time, the Merger shall have all the effects of a merger under laws of the State of Washington, the Commonwealth of Massachusetts and other applicable law.

1.4 Articles of Incorporation; Bylaws. At the Effective Time, the Articles of Incorporation of Terabeam shall continue to be the Articles of Incorporation of the Surviving Corporation. At the Effective Time, the Bylaws of Terabeam, as in effect immediately prior to the Effective Time, shall be the Bylaws of the Surviving Corporation.

1.5 Directors and Officers. At the Effective Time, the directors and officers of the Company shall resign and the directors and officers of Terabeam shall continue in office as the directors and officers of the Surviving Corporation, and such directors and officers shall hold office in accordance with and subject to the Articles of Incorporation and Bylaws of the Surviving Corporation.

1.6 Effect on Capital Stock.

a. Conversion of Shares. As of the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof:

i. All shares of any class of capital stock of the Company held by the Company as treasury shares shall be canceled.

ii. Except as otherwise provided in Section 1.7.5 of the Agreement, each issued and outstanding share of common stock, no par value, of the Company (the "Company Common Stock") shall be converted into the right to receive from Terabeam:

(a) an amount in cash equal to the quotient obtained by dividing (i) the Closing Cash (as defined below) by (ii) the quotient of (x) the total number of Outstanding Shares divided by (y) 1.00 minus the Heath Adjustment Factor (as defined below) (the result of such quotient, the "Adjusted Outstanding Shares");

(b) a number of shares of Terabeam's common stock, no par value (the "Terabeam Common Stock"), determined by dividing (i) 1,050,000 by (ii) the total number of Adjusted Outstanding Shares;

(c) a right to receive that amount determined by dividing (i) the difference between \$2,500,000 (the "Closing Indebtedness") and the dollar value of finally determined claims for indemnification as provided in Article VII of the Agreement, by (ii) the total number of Adjusted Outstanding Shares (as adjusted herein and in accordance with the Agreement), which right will be evidenced by a convertible promissory note of Terabeam to be issued on the second anniversary of the Closing Date (the "Payment Date"), each, a "Purchase Note," and such notes together, the "Purchase Notes," subject to certain limitations set forth in the Agreement; provided, that Terabeam shall not be required to issue more than one Purchase Note to each Stockholder; and

(d) the right to receive quarterly payments equal to the amount of interest accrued on the then-existing aggregate Adjusted Closing Indebtedness, at a rate of 6.75% per annum, simple interest ("Interest Payments"), subject to certain limitations set forth in the Agreement.

The quotient derived in Section 1.6(a)(ii)(a) shall be rounded to three decimal points and shall be referred to herein as the "Cash Exchange Ratio," the quotient derived in Section 1.6(a)(ii)(b) shall be rounded to three decimal points and shall be referred to herein as the "Stock Exchange Ratio," and the quotient derived in Section 1.6(a)(iii)(c) shall be rounded to three decimal points and shall be referred to herein as the "Note Exchange Ratio." "Closing Cash" shall mean \$3,500,000 minus the sum of the: (i) Optionee Bonus, (ii) Aggregate Exercise Price and (iii) dollar value of any Excess Liabilities (each as defined below). The aggregate number of shares of Terabeam Common Stock so issued shall be referred to herein as the "Closing Shares," which, together with the Closing Cash, the right to the aggregate Closing Indebtedness (and the related Purchase Notes when issued) and the aggregate Interest Payments, shall be referred to as the "Merger Consideration." The amount of cash to be issued to each Stockholder under this Section 1.6(a)(ii) and Section 1.6.1(a)(vi) below shall be calculated by aggregating all shares of

Company Common Stock held by each such Stockholder (which, in the case of Heath & Co., shall be equal to the number of Deemed Heath Shares (as defined below)), so that such amount of cash to be issued shall be equal to the number of shares of Company Common Stock held by such Stockholder multiplied by the Cash Exchange Ratio, rounded to the nearest \$0.01, with \$0.005 being rounded up. The number of shares of Terabeam Common Stock to be issued to each Stockholder under this Section 1.6(a)(ii) and Section 1.6(a)(vi) below shall be calculated by aggregating all shares of Company Common Stock held by each such Stockholder (which, in the case of Heath & Co., shall be equal to the number of Deemed Heath Shares), so that such number of shares of Terabeam Common Stock to be issued shall be equal to the number of shares of Company Common Stock held by such Stockholder multiplied by the Stock Exchange Ratio, with fractional shares rounded to the nearest whole number, with .5 being rounded up. The initial amount of Closing Indebtedness to which each Stockholder shall be entitled under this Section 1.6(a)(ii) and Section 1.6(a)(vi) below shall be equal to the number of shares of Company Common Stock held by such Stockholder at the Effective Time (which, in the case of Heath & Co., shall be equal to the number of Deemed Heath Shares) multiplied by the Note Exchange Ratio, rounded to the nearest \$0.01, with \$0.005 being rounded up. The amount of Interest Payments to which each Stockholder shall be entitled under this Section 1.6(a)(ii) and Section 1.6(a)(vi) below shall be calculated by reference to such Stockholder's total interest in the Adjusted Closing Indebtedness from time to time. For purposes of this Plan of Merger, (x) the "Total Proceeds" shall be equal to the sum of (A) the aggregate cash paid at Closing (\$3,500,000) minus Excess Liabilities, (B) the aggregate amount of Closing Indebtedness (\$2,500,000), and (C) the agreed-upon value of the Closing Shares (\$5,250,000 based on a price of \$5.00 per share of Terabeam Common Stock) and (y) the "Total Net Proceeds" shall be equal to the result of the result of the (A) Total Proceeds minus (B) the Heath Fee (as defined below) (\$475,000) plus (C) the amount to be paid pursuant to the Omron Redemption (as defined below) (\$500,000).

iii. At the Effective Time, all Closing Indebtedness shall be subject to the provisions relating to adjustments to the Closing Indebtedness set forth in Article VII of the Agreement. Until the Payment Date, Interest Payments shall be due and payable on the fifth day of the first month of each quarter. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

iv. Pursuant to agreements (the "Option Cancellation Agreements") previously entered into by the Company and the several holders of its outstanding stock options, each outstanding option (each, an "Option") to purchase shares of Company Common Stock issued pursuant to the Company's 2000 Stock Incentive Plan, whether or not vested or exercisable, shall be terminated with the consent of the holder of such Option (each, an "Optionee") as of the Effective Time. In consideration of such termination, and subject to the other provisions of the Agreement, immediately subsequent to the Effective Time, the Company shall pay to each Optionee a cash payment in the amount equal to the product of (a) the aggregate number of vested Options held by such holder immediately prior to the termination thereof, and (b) the Per Share Option Consideration, less all applicable employee withholding or other taxes. For purposes of this Plan of Merger, the calculation and payment of the Optionee Bonus shall be deemed to have been effected prior to the Omron Redemption, and the "Per Share Option Consideration" shall be equal to the result of (A)(1) the Total Net Proceeds divided by (2) the Fully Diluted Number, minus (B) \$0.08, rounded to the nearest \$0.01, with \$0.005 being

rounded up. The aggregate amount payable to all Optionees pursuant to the Option Cancellation Agreements shall be referred to herein as the "Optionee Bonus." The aggregate exercise prices of the Options terminated pursuant to the Option Cancellation Agreements (i.e., the aggregate number of Options times \$0.08) shall be referred to herein as the "Aggregate Exercise Price." The "Fully Diluted Number" shall mean the total number of Outstanding Shares (plus the number of shares of Company Common Stock held by Omron (as defined below) immediately prior to the Omron Redemption) and the total number of vested Options exercisable immediately prior to termination of the Options described above.

v. The aggregate amount of Closing Cash paid to the Stockholders at the Closing shall be subject to adjustment as follows:

(a) The Company shall cause to be prepared and delivered to Terabeam, on the date immediately prior to the Closing Date, an unaudited balance sheet for the Company as of the Closing Date (the "Closing Balance Sheet"). The Closing Balance Sheet shall be prepared by the Company from the books and records of the Company in accordance with GAAP, applied on a basis consistent with the policies employed in the preparation of the Company Balance Sheets.

(b) In the event that the Closing Balance Sheet reflects any liabilities, debts or obligations, contingent or otherwise, other than Company Liabilities, the aggregate amount of cash paid to the Stockholders at the Closing shall be reduced by (among other things) the dollar amount of such excess liabilities, debts or obligations (such excess, the "Excess Liabilities"), all as provided in Section 1.6(a)(ii). Notwithstanding anything to the contrary contained herein, Excess Liabilities shall specifically include any (i) severance, bonus or similar payments payable by the Company on or prior to the Closing that, but for the Merger, would not otherwise be payable, including without limitation, severance payments payable to Joe Faris as set forth on Schedule 2.13.7 to the Company Disclosure Memorandum, (ii) payments to bankers, brokers or other financial advisors by the Company or any of the Stockholders in connection with the Merger and related transactions, other than any payments to Heath & Co. in an aggregate amount equal to \$475,000 (the "Heath Fee"), (iii) outstanding indebtedness to Robert A. Phaneuf in the amount of \$10,000, which amount was incurred in connection with the payment of fees to the Company's banker or financial advisor in anticipation of the Merger, (iv) the payment to Omron Corporation ("Omron") of (x) \$500,000 in connection with the Company's redemption of Omron's share ownership in the Company immediately prior to the Closing Date (the "Omron Redemption") and/or (y) any amounts in excess of \$414,345.57, which amount is due and payable on the Closing Date in connection with the Cross-License Agreement, and (v) fees and expenses for legal, accounting and similar fees in excess of \$30,000.

vi. Notwithstanding the foregoing, at the Closing, in full and complete satisfaction of the amounts due to Heath & Co. in connection with the Merger, including without limitation amounts due under that certain engagement letter agreement between the Company and Heath & Co. dated as of April 15, 2002, the parties shall treat Heath & Co. as a Stockholder for all purposes except as may otherwise be set forth in the Agreement or this Plan of Merger, and Heath & Co. shall be entitled to that portion of the Merger Consideration set forth opposite Heath & Co.'s name on the Merger Consideration Spreadsheet. All amounts payable to or

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received by Heath & Co. pursuant to this Plan of Merger (other than Heath & Co.'s portion of the Closing Cash) shall be subject to adjustment as provided in Article VII of the Agreement. For purposes of this Plan of Merger, the "Heath Adjustment Factor" shall be equal to 0.0505, which amount represents Heath & Co.'s deemed ownership of the Company immediately prior to the Closing, and the "Deemed Heath Shares" shall be equal to the difference between the Adjusted Outstanding Shares and the Outstanding Shares.

b. Exchange of Certificates; Payment of Closing Cash and Closing Indebtedness and Issuance of Terabeam Common Stock. Prior to or at the Closing, each Stockholder shall execute and deliver to Terabeam a Letter of Transmittal, together with documents delivered as required therein and in the Agreement, including certificates representing shares of Company Common Stock for cancellation, all in accordance with the amounts set forth in the Merger Consideration Spreadsheet. At the Closing, and subject to the Merger Consideration Spreadsheet, Terabeam shall deliver to each Stockholder: (i) a certificate representing the number of shares of Terabeam Common Stock that such Stockholder is entitled to receive pursuant to Section 1.6(a) hereof, and (ii) a check or wire transfer representing the portion of the Closing Cash that such Stockholder is entitled to receive pursuant to Section 1.6(a)(ii). In accordance with Sections 1.6(a) hereof and 7.6 of the Agreement, no Closing Indebtedness or Purchase Notes shall be issued at the Closing. In the event that any certificates representing shares of Company Common Stock shall have been lost, stolen or destroyed, upon the making of an affidavit prior to Closing of that fact by the Stockholder claiming such certificate to be lost, stolen or destroyed, Terabeam shall issue in exchange for such lost, stolen or destroyed certificate the Merger Consideration that such Stockholder is entitled to receive pursuant to Section 1.6(a); provided, however, that Terabeam may in its discretion, and as a condition precedent to the issuance thereof, require such Stockholder to provide Terabeam with an indemnity agreement and/or bond against any claim that may be made against Terabeam with respect to the certificate alleged to have been lost, stolen or destroyed. No interest shall accrue on any portion of the Merger Consideration (other than Interest Payments and the interest accruing on the Purchase Notes in accordance with their respective terms). If the Merger Consideration (or any portion thereof) is to be delivered to any person other than the person in whose name the certificate or certificates representing shares of Company Common Stock surrendered in exchange therefor is registered, it shall be a condition to such exchange that the person requesting such exchange shall pay to Terabeam any transfer or other taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of the certificate or certificates so surrendered or shall establish to the satisfaction of Terabeam that such tax has been paid or is not applicable.

c. No Further Transfers. After the Effective Time, there shall be no transfers of any shares of Company Common Stock on the stock transfer books of the Surviving Corporation. If, after the Effective Time, certificates formerly representing shares of Company Common Stock are presented to the Surviving Corporation, they shall be canceled and exchanged in accordance with this Section 1.6.

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**CERTIFICATE OF REGISTRATION
OF AN OVERSEA COMPANY**

(Establishment of a place of business)

Company No. FC024226

The Registrar of Companies for England and Wales hereby certifies that
TERABEAM CORPORATION

has this day been registered under Section 691 of the Companies Act
1985 as having established a place of business in England and Wales

Given at Companies House, Cardiff, the 22nd November 2002



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —