

**RECORDATION  
TRADE**

11-01-2000



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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): 10-16-00  
Advanced System Products, Inc.

Individual(s)                       Association  
 General Partnership             Limited Partnership  
 Corporation-State California  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):

Name: CONNECTCOM SOLUTIONS, INC.  
Internal Address: \_\_\_\_\_  
Street Address: 1150 Ringwood Court  
City: San Jose State: CA ZIP: 95131

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State California  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment                       Merger  
 Security Agreement             Change of Name  
 Other See attachment for brief

Execution Date: March 28, 2000

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)  
74/590917                      ADVANSYS

B. Trademark Registration No.(s)

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Andrew P. Bridges  
Sara L. Eisner

Street Address: Wilson Sonsini Goodrich & Rosati  
650 Page Mill Road

City: Palo Alto State: CA ZIP: 94304-1050

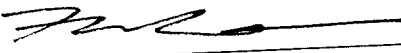
6. Total number of applications and registrations involved: ..... 1

7. Total fee (37 CFR 3.41) ..... \$ 40.00  
 Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
23-2415 Attn: 13999-TM1002  
(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

Frank X. Y. Chen                                            October 12, 2000  
Name of Person Signing                      Signature                      Date

Total number of pages including cover sheet, attachments, and document: 34

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231



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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
Advanced System Products, Inc.

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State California  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies):

Name: CONNECTCOM SOLUTIONS, INC.  
Internal Address: \_\_\_\_\_  
Street Address: 1150 Ringwood Court  
City: San Jose State: CA ZIP: 95131

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State California  
 Other \_\_\_\_\_

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment                       Merger  
 Security Agreement               Change of Name  
 Other \_\_\_\_\_

Execution Date: March 28, 2000

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)  
75/590917                      ADVANSYS

B. Trademark Registration No.(s)  
2,004,988                      ADVANSYSI  
2,107,569                      ADVANCEWARE

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Mary Cabanski-Evers  
Internal Address: \_\_\_\_\_  
\_\_\_\_\_  
Street Address: Wilson Sonsini Goodrich & Rosati  
650 Page Mill Road  
\_\_\_\_\_  
City: Palo Alto State: CA ZIP: 94304-1050

6. Total number of applications and registrations involved: ..... 3

7. Total fee (37 CFR 3.41) ..... \$ 90.00

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
23-2415 Attn: 13999-900  
(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature.  
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Mary Cabanski-Evers                      Mary Cabanski-Evers                      April 27, 2000  
Name of Person Signing                      Signature                      Date

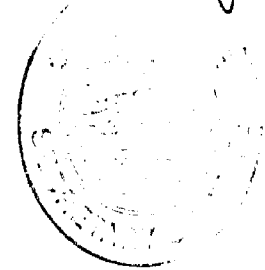
Total number of pages including cover sheet, attachments, and document: 30

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

05/31/2000 DNGUYEN 00000032 75590917  
01 FC:481 40.00 OP  
02 FC:482 50.00 OP

TRADEMARK  
REEL: 002165 FRAME: 0072

# State of California



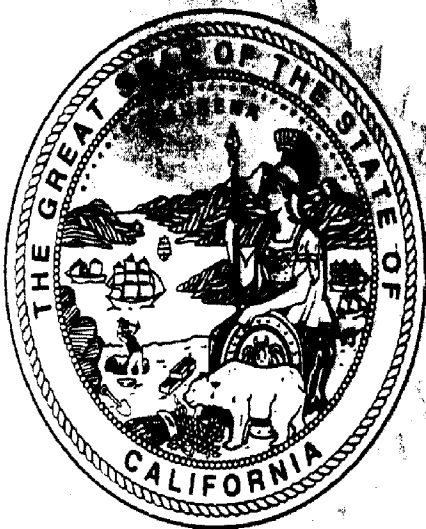
## SECRETARY OF STATE

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

That the attached transcript of 28 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

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

APR - 4 2000



*Bill Jones*

Secretary of State

MAR 28 2000

BILL JONES, Secretary of State

**AMENDED AND RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**  
**ADVANCED SYSTEM PRODUCTS, INC.**

Yu Ping Cheng and John Davis certify that:

1. They are the Senior Vice President and Secretary, respectively, of Advanced System Products, Inc., a California corporation.
2. The Articles of Incorporation of this Corporation are amended and restated to read as follows:

ARTICLE I

The name of this corporation is CONNECTCOM SOLUTIONS, INC.

ARTICLE II

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

Upon the effectiveness of these Amended and Restated Articles of Incorporation, each six (6) outstanding shares of Common Stock shall be consolidated into one (1) share of Common Stock. In addition, upon the effectiveness of these Amended and Restated Articles of Incorporation, each six (6) outstanding shares of Preferred Stock shall be consolidated into one (1) share of Preferred Stock. No fractional shares shall be issued in connection with the foregoing reverse stock split, and in lieu thereof the Corporation shall round each fractional share up to the nearest whole share.

The Corporation is authorized to issue two classes of shares to be designated respectively Common Stock and Preferred Stock. The total number of shares of Common Stock the Corporation shall have authority to issue is 50,000,000, and the total number of shares of Preferred Stock the Corporation shall have authority to issue is 4,979,968.

The Preferred Stock shall be divided into five series. The first such series of Preferred Stock shall be designated Series A Preferred Stock (the "**Series A Preferred**"), shall consist of 658,423 shares and shall have the rights, preferences, privileges and restrictions set forth in this Article III. The second such series of Preferred Stock shall be designated Series B Preferred Stock (the "**Series B Preferred**"), shall consist of 1,052,945 shares and shall have the rights, preferences, privileges and restrictions set forth in this Article III. The third such series of Preferred Stock shall be designated Series C Preferred Stock (the "**Series C Preferred**"), shall consist of 1,068,300 shares and shall have the rights, preferences, privileges and restrictions set forth in this Article III. The fourth such series of Preferred Stock shall be designated Series D Preferred Stock (the "**Series D Preferred**"), shall consist of 500,300 shares and shall have the rights, preferences, privileges and restrictions set forth in this Article III. The fifth such series of Preferred Stock shall be designated Series E Preferred Stock (the "**Series E Preferred**"), shall consist of 1,700,000 shares and shall have the rights, preferences, privileges and restrictions set forth in this Article III.

The Corporation shall from time to time in accordance with the laws of the State of California increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued and available for issuance shall not be sufficient to permit conversion of the Preferred Stock.

The relative rights, preferences, privileges and restrictions granted to or imposed upon the respective classes of Common Stock and Preferred Stock or the holders thereof are as follows:

A. Dividends. The holders of Series E Preferred shall be entitled to receive, when and as declared by the Board of Directors, out of assets legally available therefor, dividends at the annual rate of \$0.18 per share of Series E Preferred then held by them in preference to any dividend on the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred and Common Stock. No dividend or other distributions shall be made with respect to the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred or Common Stock, other than dividends payable solely in Common Stock, until all declared dividends on the Series E Preferred have been paid or set apart. After payment of dividends to the Series E Preferred, the holders of outstanding shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be entitled to receive, when and as declared by the Board of Directors, out of any assets at the time legally available therefor, dividends at the annual rate of \$0.18 per share, \$0.36 per share, \$0.36 per share and \$0.42 per share, respectively, payable in preference and priority to any payment of any dividend on Common Stock of the Corporation. No dividends or other distributions shall be made with respect to the Common Stock, other than dividends payable solely in Common Stock, until all declared dividends on the Preferred Stock have been paid or set apart. The right to receive dividends on shares of Preferred Stock shall not be cumulative, and no right to such dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared or paid in any year.

For purposes of this Section A, unless the context otherwise requires, a “**distribution**” shall mean the transfer of cash or other property without consideration whether by way of dividend or otherwise, payable other than in Common Stock, or the purchase or redemption of shares of the Corporation (other than repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase) for cash or property.

As authorized by Section 402.5(c) of the California Corporations Code, the provisions of Sections 502 and 503 of the California Corporations Code shall not apply with respect to repurchases by the Corporation of shares of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase.

Dividends may be paid on the Common Stock as and when declared by the Board of Directors, subject to the prior dividend rights of the Preferred Stock.

B. Liquidation Preference. In the event of any liquidation, dissolution, or winding up of the Corporation (or the deemed occurrence of such event pursuant to subsection B.4 below), either voluntary or involuntary, distributions to the shareholders of the Corporation shall be made in the following manner:

1. Amount of Liquidation Preference. The holders of the Series E Preferred shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred or Common Stock by reason of their ownership of such stock, the amount of six dollars (\$6.00) per share for each share of Series E Preferred then held by them, adjusted for any combinations, consolidations, or stock distributions or dividends with respect to such shares and, in addition, an amount equal to all declared but unpaid dividends on the Series E Preferred. If the assets and funds available for distribution among the holders of the Series E Preferred shall be insufficient to permit the payment to such holders of their full aforesaid preferential amount, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series E Preferred in such a manner that the amount to be distributed to each holder of Series E Preferred shall equal the amount obtained by multiplying the entire assets and funds of the corporation legally available for distribution hereunder by a fraction, the numerator of which shall be the number of shares of Series E Preferred then held by the holder and the denominator of which shall be the total then outstanding number of shares of Series E Preferred.

After payment of the full liquidation preference amount to the holders of the Series E Preferred, if there are any remaining assets and funds available for distribution, the holders of the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be entitled to receive, prior

and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock by reason of their ownership of such stock, the amount of three dollars (\$3.00) per share for each share of Series A Preferred then held by them, the amount of five dollars and seventy cents (\$5.70) per share for each share of Series B Preferred then held by them, the amount of seven dollars and eighty cents (\$7.80) per share for each share of Series C Preferred then held by them and the amount of sixteen dollars and twenty cents (\$16.20) per share for each share of Series D Preferred then held by them, adjusted for any combinations, consolidations, or stock distributions or dividends with respect to such shares and, in addition, an amount equal to all declared but unpaid dividends on the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred, respectively.

If the assets and funds available for distribution among the holders of the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be insufficient to permit the payment to such holders of their full aforesaid preferential amount, then the entire amount of the assets and funds of the Corporation legally available for distribution after the distribution to the holders of the Series E Preferred shall be distributed ratably among the holders of the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred in such a manner that the amount to be distributed to each holder of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall equal the amount obtained by multiplying the entire assets and funds of the Corporation legally available for distribution hereunder by a fraction, the numerator of which shall be the sum of the products obtained by multiplying the number of shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred then held by the holder by the respective liquidation preference of each such series of Preferred Stock, and the denominator of which shall be the sum of the products obtained by multiplying the total then outstanding number of shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred by the respective liquidation preference of each such series of Preferred Stock.

2. Distribution after Payment of Liquidation Preference. After payment has been made to the holders of the Preferred Stock of the full preferential amount set forth in Section B.1 above, the entire remaining assets and funds of the corporation legally available for distribution, if any, shall be distributed ratably among the holders of Preferred Stock, subject to the limitations set forth below, and the holders of Common Stock in a manner such that the amount distributed to each holder of Common Stock and Preferred Stock shall equal the amount obtained by multiplying the entire assets and funds of the corporation legally available for distribution pursuant to this Section B.2 by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock then held by the holder and the number of shares of Common Stock issuable upon conversion of the shares of Preferred Stock then held by the holder, and the denominator of which shall be the sum of the total number of shares of Common Stock then outstanding and the total number of shares of Common Stock issuable upon conversion of the total number of shares of Preferred Stock then outstanding; provided, however, that at such time as the distribution of liquidation preferences pursuant to this Section B shall equal (i) \$9.00 per share of Series A Preferred, such holders of Series A Preferred shall not be entitled to any further distribution

pursuant to this subsection B.2 with respect to shares of Series A Preferred, (ii) \$17.10 per share of Series B Preferred, such holders of Series B Preferred shall not be entitled to any further distribution pursuant to this subsection B.2 with respect to shares of Series B Preferred and (iii) \$18.00 per share of Series C Preferred, such holders of Series C Preferred shall not be entitled to any further distribution pursuant to this subsection B.2 with respect to shares of Series C Preferred. Any remaining assets and funds legally available for distribution hereunder shall be distributed ratably to the holders of the Series D Preferred, the Series E Preferred and the Common Stock in a manner such that the remaining amount distributed to each holder of Series D Preferred, Series E Preferred and Common Stock shall equal the amount obtained by multiplying the entire remaining assets and funds of the Corporation legally available for distribution hereunder by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock then held by the holder and the number of shares of Common Stock issuable upon conversion of the shares of Series D Preferred and/or Series E Preferred then held by the holder, and the denominator of which shall be the sum of the total number of shares of Common Stock then outstanding and the total number of shares of Common Stock issuable upon conversion of the total number of shares of Series E Preferred and Series D Preferred then outstanding.

3. Shares not Treated as Both Preferred Stock and Common Stock in any Distribution. Shares of Preferred Stock shall not be entitled to be converted into shares of Common Stock in order to participate in any distribution, or series of distributions, as shares of Common Stock, without first foregoing participation in the distribution, or series of distributions, as shares of Preferred Stock.

4. Deemed Liquidation. For purposes of this Section B, a merger or consolidation of the Corporation with or into any other corporation or corporations (except where a majority of the outstanding equity securities of the surviving corporation immediately after the merger or consolidation is held by persons who were shareholders of this Corporation immediately prior to the merger or consolidations) or a sale or other transfer of all or substantially all of the assets of the Corporation (or any series of related transactions resulting in the sale or other transfer of all or substantially all of the assets of the Corporation), shall be treated as a liquidation, dissolution or winding up.

5. Consent. Each holder of an outstanding share of Preferred Stock shall be deemed to have consented, for purposes of Sections 502 and 503 of the General Corporation Law of California, to distributions made by the Corporation in connection with the repurchase of shares of Common Stock issued to or held by employees or consultants upon termination of their employment or services pursuant to agreements between the Corporation and such persons providing for the Corporation's right of said repurchase.

C. Voting Rights. Except as otherwise required by law, each share of Common Stock issued and outstanding shall have one vote and each share of Preferred Stock issued and outstanding shall have the number of votes equal to the number of shares of Common Stock into which such share of Preferred Stock could be converted at the record date for determination of the shareholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited, such votes to be counted together with all other shares of stock of the Corporation having general voting power and not separately as a class. Holders of Common



Stock and Preferred Stock shall be entitled to notice of any shareholders' meeting in accordance with the Bylaws of the corporation, except as otherwise provided herein.

D. Conversion. The holders of the Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred and Series E Preferred shall have the following applicable conversion rights (the "**Conversion Rights**"):

1. Right to Convert. Each share of Series A Preferred, Series B Preferred, Series C Preferred, Series D Preferred and Series E Preferred shall be convertible, without the payment of any additional consideration by the holder thereof, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for the Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing \$3.00 by the Series A Conversion Price, \$5.70 by the Series B Conversion Price, \$7.80 by the Series C Conversion Price, \$8.10 by the Series D Conversion Price and \$3.00 by the Series E Conversion Price determined in each case as hereinafter provided, in effect at the time of conversion. The price at which shares of Common Stock shall be deliverable upon conversion of shares of Series A Preferred without the payment of any additional consideration by the holders thereof shall initially be \$2.478 per share of Common Stock (the "**Series A Conversion Price**"). The price at which shares of Common Stock shall be deliverable upon conversion of shares of Series B Preferred, without the payment of any additional consideration by the holders thereof, shall initially be \$4.235 per share of Common Stock (the "**Series B Conversion Price**"). The price at which shares of Common Stock shall be deliverable upon conversion of shares of Series C Preferred, without any additional consideration by the holders thereof, shall initially be \$5.520 per share of Common Stock (the "**Series C Conversion Price**"). The price at which shares of Common Stock shall be deliverable upon conversion of shares of Series D Preferred, without any additional consideration by the holders thereof, shall initially be \$3.895 per share of Common Stock (the "**Series D Conversion Price**"). The price at which shares of Common Stock shall be deliverable upon conversion of shares of Series E Preferred, without any additional consideration by the holders thereof, shall initially be \$3.00 per share of Common Stock (the "**Series E Conversion Price**"). Such initial Conversion Prices shall be subject to adjustment in order to adjust the number of shares of Common Stock into which each series of Preferred Stock is convertible, as hereinafter provided.

Upon conversion, all declared and unpaid dividends on the Preferred Stock shall be paid either in cash or in shares of Common Stock of the Corporation, at the election of the Corporation, wherein the shares of Common Stock shall be valued at the fair market value at the time of such conversion, as determined by the Board of Directors of the Corporation.

2. Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price upon either (i) the closing of a firm commitment 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 to the public involving aggregate proceeds to the Company of not less than \$10,000,000, at a per share offering price of \$8.00 or more (as adjusted for stock splits, combinations or similar such events) or (ii) the affirmative vote or the written consent of holders of not less than two-thirds of the then outstanding shares of Preferred Stock. In the event of the automatic conversion of the Preferred Stock upon a public offering as aforesaid, the person(s) entitled to receive the Common Stock issuable upon such conversion of Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

3. Mechanics of Conversion. No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation at its election shall either (i) pay cash equal to such fraction multiplied by the then effective Conversion Price, or (ii) issue one whole share of Common Stock for each fractional share to which the holder would otherwise be entitled.

Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock pursuant to Section D.1 above, such holder shall surrender the certificate or certificates therefore, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock, and shall give written notice to the Corporation at such office that such holder elects to convert the same; provided, however, that in the event of an automatic conversion pursuant to Section D.2, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, and provided further that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless the certificates evidencing such shares of Preferred Stock are either delivered to the Corporation or its transfer agent as provided above, or the holder notifies the Corporation or its transfer agent that such certificates have been lost stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall as soon as practicable following such delivery, issue and deliver at such office to such holder of Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid, together with a check, if applicable, payable to the holder in the amount of any cash amount payable as the result of any fractional share resulting from the conversion of Preferred Stock into Common Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, or in the case of automatic conversion on the date of closing of the offering or the effective date of the applicable vote or written consent, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

4. Adjustments to Conversion Prices for Diluting Issues.

(A) Special Definitions. For purposes of this subsection D.4, the following definitions shall apply:

(1) “Option” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities.

(2) “Series E Original Issue Date” shall mean the date on which the first share of Series E Preferred was issued.

(3) “Convertible Securities” shall mean any evidences of indebtedness, shares or other securities convertible into or exchangeable for Common Stock.

(4) “Additional Shares of Common Stock” shall mean all shares of Common Stock issued (or, pursuant to Section D.4(C), deemed to be issued) by the Corporation after the Series E Original Issue Date, other than shares of Common Stock issued or issuable:

- (a) upon conversion of shares of Preferred Stock;
- (b) as a dividend or distribution on Preferred Stock or any event for which adjustment is made pursuant to subparagraph D.4(F) hereof;
- (c) pursuant to equipment lease financing transactions or other commercial financing transactions approved by the Board of Directors;
- (d) to directors and employees of, and consultants to, the Corporation in a manner determined by the Board of Directors;
- (e) by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Shares of Common Stock by the foregoing clause(s) (a), (b), (c), (d) or this clause (e); or

(B) No Adjustment of Conversion Price. No adjustment in the number of shares of Common Stock into which the Preferred Stock is convertible shall be made, by adjustment in the Conversion Prices of such Preferred Stock in respect of the issuance of Additional Shares of Common Stock or otherwise, unless the consideration per share for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Conversion Price of such series of Preferred Stock in effect on the date of, and immediately prior to, the issue of such Additional Share of Common Stock.

(C) Deemed Issuances of Additional Shares of Common Stock.

(1) Options and Convertible Securities. In the event the corporation at any time or from time to time after the Series E Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefore, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in the case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Shares of Common Stock shall not be deemed to have been issued with respect to an adjustment of the Conversion Price for any series of Preferred Stock unless the consideration per share (determined pursuant to subsection D.4(E) hereof) of such Additional Shares of Common Stock would be less than the Conversion Price of such series of Preferred Stock in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(a) no further adjustment in the Conversion Prices shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(b) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the corporation, or decrease or increase in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Prices computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(c) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Prices computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

1. in the case of Convertible Securities or Options for Common Stock only the Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the corporation for the issue of such exercised Options plus the consideration actually received by the Corporation upon such exercise or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

2. in the case of Options for Convertible Securities only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of such exercised Options, plus the consideration deemed to have been received by the corporation (determined pursuant to subsection D.4(E)) upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(d) no readjustment pursuant to clause (b) or (c) above shall have the effect of increasing the Conversion Prices to an amount which exceeds the lower of (i) the Conversion Prices on the original adjustment date, or (ii) the Conversion Prices that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(e) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Conversion Prices shall be made until the expiration or exercise of all such Options issued on the same date, whereupon such adjustment shall be made in the same manner provided in clause (c) above; and

(f) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Prices which became effective on such record date shall be canceled as of the close of business on such record date, and

thereafter the Conversion Prices shall be adjusted pursuant to this subsection D.4(C) as of the actual date of their issuance.

(2) Stock Dividends, Stock Distributions and Subdivisions. In the event the Corporation at any time or from time to time after the Series E Original Issue Date shall declare or pay any dividend or make any other distribution on the Common Stock payable in Common Stock, or effect a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in Common Stock), then and in any such event, Additional Shares of Common Stock shall be deemed to have been issued:

(a) in the case of any such dividend or distribution, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such dividend or distribution, or

(b) in the case of any such subdivision, at the close of business on the date immediately prior to the date upon which such corporate action becomes effective.

If such record date shall have been fixed and such dividend shall not have been paid on the date fixed therefor, the adjustment previously made in the Conversion Prices which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Prices shall be adjusted pursuant to this subsection D.4(C) as of the time of actual payment of such dividend.

(D) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the corporation shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to subsection D.4(C), but excluding Additional Shares of Common Stock issued pursuant to subsection D.4(C)(2), which event is dealt with in subsection D.4(F) hereof), without consideration or for a consideration per share less than the Conversion Price of any series of Preferred Stock in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price of such Series of Preferred Stock shall be reduced, concurrently with such issue, to prices (calculated to the nearest cent) determined by multiplying each such Conversion Price by a fraction (x) the numerator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue, plus (2) the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at that Conversion Price, and (y) the denominator of which shall be (1) the number of shares of Common Stock outstanding immediately prior to such issue plus (2) the number of such Additional Shares of Common Stock so issued, provided that for the purposes of this subsection D.4(D), all shares of Common Stock issuable upon exercise, conversion or

exchange of outstanding Options or Convertible Securities, as the case may be, shall be deemed to be outstanding, and immediately after any Additional Shares of Common Stock are deemed issued pursuant to subsection D.4(C) above, such Additional Shares of Common Stock shall be deemed to be outstanding, and provided further that the Conversion Price shall not be so reduced at such time if the amount of such reduction would be an amount less than \$0.01, but any such amount shall be carried forward and reduction with respect thereto made at the time of and together with any subsequent reduction which, together with such amount and any other amount or amounts so carried forward, shall aggregate \$0.01 or more.

(E) Determination of Consideration. For purposes of this subsection D.4, the consideration received by the corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(1) Cash and Property. Such consideration shall:

(a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(b) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(c) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (b) and (c) above, as determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the corporation for Additional Shares of Common Stock deemed to have been issued pursuant to subsection D.4(C)(1), relating to Options and Convertible Securities, shall be determined by dividing

(a) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange

of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(b) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(F) Adjustments for Subdivisions, Combinations or Consolidation of Common Stock. In the event the outstanding shares of Common Stock shall be subdivided (by stock split, or otherwise), into a greater number of shares of Common Stock, the Conversion Price for each series of Preferred Stock then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Conversion Price for each series of Preferred Stock then in effect shall concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(G) Adjustments for Other Distributions. In the event the Corporation at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive any distribution payable in securities of the Corporation other than shares of Common Stock and other than as otherwise adjusted in this Section D.4, then and in each such event provision shall be made so that the holders of Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Corporation which they would have received had their Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section D.4 with respect to the rights of the holders of the Preferred Stock.

(H) Adjustments for Reclassification, Exchange and Substitution. If the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), the Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted such that the Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of



Common Stock that would have been subject to receipt by the holders upon conversion of the Preferred Stock immediately before that change.

(I) Reorganization, Mergers, Consolidations, or Sales of Assets. Subject to Section B hereof, 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 provided for elsewhere in this Section D) or a merger or consolidation of this Corporation with or into another corporation, or the sale of all or substantially all of this 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 Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock held by them, the number of shares of stock or other securities or property of this Corporation, or of the successor corporation resulting from such merger or consolidation or sale, to which a holder of Common Stock deliverable upon conversion would have been entitled up on such capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section D with respect to the rights of the holders of the Preferred Stock after the reorganization, merger, consolidation, or sale to the end that the provisions of this Section D (including adjustment of the Conversion Prices then in effect and the number of shares purchasable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

5. No Impairment. Except as provided for in Section H below, the Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but will at all times in good faith assist in the carrying out of all the provisions of this Section D and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Stock against impairment.

6. Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section D, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

7. Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are

entitled to receive any dividend (other than a cash dividend which is the same as cash dividends paid in previous quarters) or other distribution, the Corporation shall mail to each holder of Preferred Stock at least ten (10) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

E. Redemption of Series B Preferred.

1. On each of the seventh, eighth and ninth anniversaries of the date on which the first share of Series B Preferred was issued (the "**Series B Original Issue Date**"), to the extent the shares of Series B Preferred have not been redeemed or converted prior to such date and to the extent requested by the holder thereof, the Corporation shall redeem an amount equal to up to one-third, one-half and all of the then issued, outstanding, and unconverted shares of Series B Preferred held by such holder on the seventh, eighth and ninth anniversary, respectively, of the Series B Original Issue Date, from any source of funds legally available therefor (but in any event, funds expended to effect such redemption shall not exceed in any one year an aggregate amount equal to the greater of one-third of the working capital of the Corporation or one-quarter of the net worth of the Corporation, in each case determined as of the close of the prior fiscal year, as computed in accordance with generally accepted accounting principles pursuant to the Corporation's audited financial statements for the prior fiscal year). Not less than thirty (30) and not more than sixty (60) days before the seventh, eighth and ninth anniversaries of the Series B Original Issue Date (and each anniversary thereafter so long as any shares of Series B Preferred remain unredeemed and unconverted), the Corporation shall send to each holder of Series B Preferred the audited financial statements of the Corporation for the prior fiscal year together with a notice advising such holders of their rights under this subsection. Each such holder shall have until each such seventh, eighth and ninth anniversary date to request redemption of all or part of the issued, outstanding and unconverted shares of Series B Preferred held by such holder which are eligible for redemption hereunder. If, and only if, no funds or insufficient funds are available to the Corporation at any time to meet the Corporation's redemption obligations pursuant to this subsection, or if any holder does not request the Corporation to redeem such holders shares of Series B Preferred to the fullest extent permitted by this subsection, then the Corporations obligations to redeem shares of Series B Preferred for which a holder has delivered a written request for redemption to the Corporation, shall be carried over to the succeeding year (subject to the same limitations on payment as set forth above) until all shares entitled to be redeemed and qualifying for redemption hereunder on the seventh, eighth and ninth anniversaries of the Series B Original Issue Date, if applicable, have been redeemed, and such holders shall have similar rights during the corresponding thirty (30) to sixty (60) day period immediately prior to the anniversary of the Series B Original Issue Date in each succeeding year. The shares of Series B Preferred which have not been redeemed shall continue to be entitled to the dividend, conversion and other rights, preferences, privileges and restrictions of the Series B Preferred until such shares have been redeemed and the redemption price has been paid or set aside with respect thereto.

2. The redemption price for each share of Series B Preferred repurchased shall be equal to \$5.70 plus any declared but unpaid dividends.

3. In the event insufficient funds are available to redeem all shares of Series B Preferred entitled and electing to be redeemed pursuant to Section E.1, the Corporation shall effect each such redemption pro rata among the holders of the Series B Preferred electing to participate in the redemption on each redemption date in such a manner that the number of shares to be redeemed from each such holder on such redemption date shall equal the total number of shares which the Corporation is obligated to redeem hereunder on such date multiplied by a fraction, the numerator of which shall be the number of shares of Series B Preferred for which each holder has elected redemption on such date, and the denominator shall be the total number of shares of Series B Preferred for which all holders have elected redemption on such date.

4. At any time after the seventh, eighth and ninth anniversaries of the Series B Original Issue Date, the Corporation, at the option of the Board of Directors, may, upon satisfaction of the notice requirements set forth in Section E.5 below, redeem an amount equal to up to one-third, one-half and all of the unconverted shares of Series B Preferred issued and outstanding (but subtracting any shares redeemed pursuant to Section E.1 hereof) on the seventh, eighth and ninth anniversary, respectively, of the Series B Original Issue Date, from any source of funds legally available therefor.

5. At least thirty (30) but not more than sixty (60) days' previous notice by certified mail, postage prepaid, shall be given to the holders of record of the Series B Preferred for any redemption by the Company pursuant to Section E.4 hereof, such notice to be addressed to each holder at the address shown in the Corporation's records and which shall specify the date of redemption, the number of shares held by the holder to be redeemed and the date at which conversion rights terminate, which date shall be no earlier than five (5) days prior to the date fixed for redemption. On or after the date of redemption as specified in such notice, each holder shall surrender such holder's certificate for this number of shares to be redeemed as stated in the notice (except that such number of shares shall be reduced by the number of shares which have been converted pursuant to Section D hereof between the date of notice and the date on which conversion rights terminate) to this Corporation at the place specified in such notice. Provided such notice is duly given, and provided that on the redemption date specified there shall be a source of funds legally available for such redemption, and funds necessary for the redemption shall have been paid or made available at the place fixed for redemption, then all rights with respect to such shares shall, after the specified redemption date, terminate whether or not said certificates have been surrendered, excepting only that in the latter instance the right of the holder to receive the redemption price thereof, without interest, upon such surrender will not terminate.

F. Redemption of Series C Preferred.

1. On each of the seventh, eighth and ninth anniversaries of the date on which the first share of Series C Preferred was issued (the "**Series C Original Issue Date**"), to the extent the shares of Series C Preferred have not been redeemed or converted prior to such date and to the extent requested by the holder thereof, the Corporation shall redeem an amount equal to up to one-third, one-half and all of the then issued, outstanding, and unconverted shares of Series C Preferred held by such holder on the seventh, eighth and ninth anniversary, respectively, of the Series C Original Issue Date, from any source of funds legally available therefor (but in any event, funds expended to effect such redemption shall not exceed in any one year an aggregate amount equal to the greater of one-third of the working capital of the Corporation or one-quarter of the net worth of the Corporation, in each case determined as of the close of the prior fiscal year, as computed in accordance with generally accepted accounting principles pursuant to the Corporation's audited financial statements for the prior fiscal year). Not less than thirty (30) and not more than sixty (60) days before the seventh, eighth and ninth anniversaries of the Series C Original Issue Date (and each anniversary thereafter so long as any shares of Series C Preferred remain unredeemed and unconverted), the Corporation shall send to each holder of Series C Preferred the audited financial statements of the Corporation for the prior fiscal year together with a notice advising such holders of their rights under this subsection. Each such holder shall have until each such seventh, eighth and ninth anniversary date to request redemption of all or part of the issued, outstanding and unconverted shares of Series C Preferred held by such holder which are eligible for redemption hereunder. If, and only if, no funds or insufficient funds are available to the Corporation at any time to meet the Corporation's redemption obligations pursuant to this subsection, or if any holder does not request the Corporation to redeem such holders shares of Series C Preferred to the fullest extent permitted by this subsection, then the Corporation's obligations to redeem shares of Series C Preferred for which a holder has delivered a written request for redemption to the Corporation, shall be carried over to the succeeding year (subject to the same limitations on payment as set forth above) until all shares entitled to be redeemed and qualifying for redemption hereunder on the seventh, eighth and ninth anniversaries of the Series C Original Issue Date, if applicable, have been redeemed, and such holders shall have similar rights during the corresponding thirty (30) to sixty (60) day period immediately prior to the anniversary of the Series C Original Issue Date in each succeeding year. The shares of Series C Preferred which have not been redeemed shall continue to be entitled to the dividend, conversion and other rights, preferences, privileges and restrictions of the Series C Preferred until such shares have been redeemed and the redemption price has been paid or set aside with respect thereto.

2 The redemption price for each share of Series C Preferred repurchased shall be equal to \$7.80 plus any declared but unpaid dividends.

3 In the event insufficient funds are available to redeem all shares of Series C Preferred entitled and electing to be redeemed pursuant to Section F.1, the Corporation shall effect each such redemption pro rata among the holders of the Series C Preferred electing to participate in the

redemption on each redemption date in such a manner that the number of shares to be redeemed from each such holder on such redemption date shall equal the total number of shares which the Corporation is obligated to redeem hereunder on such date multiplied by a fraction, the numerator of which shall be the number of shares of Series C Preferred for which each holder has elected redemption on such date, and the denominator shall be the total number of shares of Series C Preferred for which all holders have elected redemption on such date.

4. At any time after the seventh, eighth and ninth anniversaries of the Series C Original Issue Date, the Corporation, at the option of the Board of Directors, may, upon satisfaction of the notice requirements set forth in Section F.5 below, redeem an amount equal to up to one-third, one-half and all of the unconverted shares of Series C Preferred issued and outstanding (but subtracting any shares redeemed pursuant to Section F.1 hereof) on the seventh, eighth and ninth anniversary, respectively, of the Series C Original Issue Date, from any source of funds legally available therefor.

5. At least thirty (30) but not more than sixty (60) days' previous notice by certified mail, postage prepaid, shall be given to the holders of record of the Series C Preferred for any redemption by the Company pursuant to Section F.4 hereof, such notice to be addressed to each holder at the address shown in the Corporation's records and which shall specify the date of redemption, the number of shares held by the holder to be redeemed and the date at which conversion rights terminate, which date shall be no earlier than five (5) days prior to the date fixed for redemption. On or after the date of redemption as specified in such notice, each holder shall surrender such holders certificate for the number of shares to be redeemed as stated in the notice (except that such number of shares shall be reduced by the number of shares which have been converted pursuant to Section D hereof between the date of notice and the date on which conversion rights terminate) to this Corporation at the place specified in such notice. Provided such notice is duly given, and provided that on the redemption date specified there shall be a source of funds legally available for such redemption, and funds necessary for the redemption shall have been paid or made available at the place fixed for redemption, then all rights with respect to such shares shall, after the specified redemption date, terminate whether or not said certificates have been surrendered, excepting only that, in the latter instance the right of the holder to receive the redemption price thereof, without interest, upon such surrender will not terminate.

G. Redemption of Series D Preferred.

1. On each of the seventh, eighth and ninth anniversaries of the date on which the first share of Series D Preferred was issued (the "**Series D Original Issue Date**"), to the extent the shares of Series D Preferred have not been redeemed or converted prior to such date and to the extent requested by the holder thereof, the Corporation shall redeem an amount equal to up to one-third, one-half and all of the then issued, outstanding, and unconverted shares of Series D Preferred held by such holder on the seventh, eighth and ninth anniversary, respectively, of the Series D Original Issue Date, from any source of funds legally available therefor (but in any event, funds expended to effect such

redemption shall not exceed in any one year an aggregate amount equal to the greater of one-third of the working capital of the Corporation or one-quarter of the net worth of the Corporation, in each case determined as of the close of the prior fiscal year, as computed in accordance with generally accepted accounting principles pursuant to the Corporation's audited financial statements for the prior fiscal year). Not less than thirty (30) and not more than sixty (60) days before the seventh, eighth and ninth anniversaries of the Series D Original Issue Date (and each anniversary thereafter so long as any shares of Series D Preferred remain unredeemed and unconverted), the Corporation shall send to each holder of Series D Preferred the audited financial statements of the Corporation for the prior fiscal year together with a notice advising such holders of their rights under this subsection. Each such holder shall have until each such seventh, eighth and ninth anniversary date to request redemption of all or part of the issued, outstanding and unconverted shares of Series D Preferred held by such holder which are eligible for redemption hereunder. If, and only if, no funds or insufficient funds are available to the Corporation at any time to meet the Corporation's redemption obligations pursuant to this subsection, or if any holder does not request the Corporation to redeem such holders shares of Series D Preferred to the fullest extent permitted by this subsection, then the Corporations obligations to redeem shares of Series D Preferred for which a holder has delivered a written request for redemption to the Corporation, shall be carried over to the succeeding year (subject to the same limitations on payment as set forth above) until all shares entitled to be redeemed and qualifying for redemption hereunder on the seventh, eighth and ninth anniversaries of the Series D Original Issue Date, if applicable, have been redeemed, and such holders shall have similar rights during the corresponding thirty (30) to sixty (60) day period immediately prior to the anniversary of the Series D Original Issue Date in each succeeding year. The shares of Series D Preferred which have not been redeemed shall continue to be entitled to the dividend, conversion and other rights, preferences, privileges and restrictions of the Series D Preferred until such shares have been redeemed and the redemption price has been paid or set aside with respect thereto.

2. The redemption price for each share of Series D Preferred repurchased shall be equal to \$8.10 plus any declared but unpaid dividends.

3. In the event insufficient funds are available to redeem all shares of Series D Preferred entitled and electing to be redeemed pursuant to Section G.1, the Corporation shall effect each such redemption pro rata among the holders of the Series D Preferred electing to participate in the redemption on each redemption date in such a manner that the number of shares to be redeemed from each such holder on such redemption date shall equal the total number of shares which the Corporation is obligated to redeem hereunder on such date multiplied by a fraction, the numerator of which shall be the number of shares of Series D Preferred for which each holder has elected redemption on such date, and the denominator shall be the total number of shares of Series D Preferred for which all holders have elected redemption on such date.

4. At any time after the seventh, eighth and ninth anniversaries of the Series D Original Issue Date, the Corporation, at the option of the Board of Directors, may, upon satisfaction of

the notice requirements set forth in Section G.5 below, redeem an amount equal to up to one-third, one-half and all of the unconverted shares of Series D Preferred issued and outstanding (but subtracting any shares redeemed pursuant to Section G.1 hereof) on the seventh, eighth and ninth anniversary, respectively, of the Series D Original Issue Date, from any source of funds legally available therefor.

5. At least thirty (30) but not more than sixty (60) days' previous notice by certified mail, postage prepaid, shall be given to the holders of record of the Series D Preferred for any redemption by the Company, pursuant to Section G.4 hereof, such notice to be addressed to each holder at the address shown in the Corporation's records and which shall specify the date of redemption, the number of shares held by the holder to be redeemed and the date at which conversion rights terminate, which date shall be no earlier than five days prior to the date fixed for redemption. On or after the date of redemption as specified in such notice, each holder shall surrender such holders certificate for this number of shares to be redeemed as stated in the notice (except that such number of shares shall be reduced by the number of shares which have been converted pursuant to Section D hereof between the date of notice and the date on which conversion rights terminate) to this Corporation at the place specified in such notice. Provided such notice is duly given, and provided that on the redemption date specified there shall be a source of funds legally available for such redemption, and funds necessary for the redemption shall have been paid or made available at the place fixed for redemption, then all rights with respect to such shares shall, after the specified redemption date, terminate whether or not said certificates have been surrendered, excepting only that in the latter instance the right of the holder to receive the redemption price thereof, without interest, upon such surrender will not terminate.

#### H. Redemption of Series E Preferred.

1. On each of the seventh, eighth and ninth anniversaries of the date on which the first share of Series E Preferred was issued (the "**Series E Original Issue Date**"), to the extent the shares of Series E Preferred have not been redeemed or converted prior to such date and to the extent requested by the holder thereof, the Corporation shall redeem an amount equal to up to one-third, one-half and all of the then issued, outstanding, and unconverted shares of Series E Preferred held by such holder on the seventh, eighth and ninth anniversary, respectively, of the Series E Original Issue Date, from any source of funds legally available therefor (but in any event, funds expended to effect such redemption shall not exceed in any one year an aggregate amount equal to the greater of one-third of the working capital of the Corporation or one-quarter of the net worth of the Corporation, in each case determined as of the close of the prior fiscal year, as computed in accordance with generally accepted accounting principles pursuant to the Corporation's audited financial statements for the prior fiscal year). Not less than thirty (30) and not more than sixty (60) days before the seventh, eighth and ninth anniversaries of the Series E Original Issue Date (and each anniversary thereafter so long as any shares of Series E Preferred remain unredeemed and unconverted), the Corporation shall send to each holder of Series E Preferred the audited financial statements of the Corporation for the prior fiscal year together with a notice advising such holders of their rights under this subsection. Each such holder shall have until each such seventh,

eighth and ninth anniversaries of the Series E Original Issue Date (and each anniversary thereafter so long as any shares of Series E Preferred remain unredeemed and unconverted), the Corporation shall send to each holder of Series E Preferred the audited financial statements of the Corporation for the prior fiscal year together with a notice advising such holders of their rights under this subsection. Each such holder shall have until each such seventh, eighth and ninth anniversary date to request redemption of all or part of the issued, outstanding and unconverted shares of Series E Preferred held by such holder which are eligible for redemption hereunder. If, and only if, no funds or insufficient funds are available to the Corporation at any time to meet the Corporation's redemption obligations pursuant to this subsection, or if any holder does not request the Corporation to redeem such holders shares of Series E Preferred to the fullest extent permitted by this subsection, then the Corporation's obligations to redeem shares of Series E Preferred for which a holder has delivered a written request for redemption to the Corporation, shall be carried over to the succeeding year (subject to the same limitations on payment as set forth above) until all shares entitled to be redeemed and qualifying for redemption hereunder on the seventh, eighth and ninth anniversaries of the Series E Original Issue Date, if applicable, have been redeemed, and such holders shall have similar rights during the corresponding thirty (30) to sixty (60) day period immediately prior to the anniversary of the Series E Original Issue Date in each succeeding year. The shares of Series E Preferred which have not been redeemed shall continue to be entitled to the dividend, conversion and other rights, preferences, privileges and restrictions of the Series E Preferred until such shares have been redeemed and the redemption price has been paid or set aside with respect thereto.

2. The redemption price for each share of Series E Preferred repurchased shall be equal to \$3.00 plus any declared but unpaid dividends.

3. In the event insufficient funds are available to redeem all shares of Series E Preferred entitled and electing to be redeemed pursuant to Section G.1, the Corporation shall effect each such redemption pro rata among the holders of the Series E Preferred electing to participate in the redemption on each redemption date in such a manner that the number of shares to be redeemed from each such holder on such redemption date shall equal the total number of shares which the Corporation is obligated to redeem hereunder on such date multiplied by a fraction, the numerator of which shall be the number of shares of Series E Preferred for which each holder has elected redemption on such date, and the denominator shall be the total number of shares of Series E Preferred for which all holders have elected redemption on such date.

4. At any time after the seventh, eighth and ninth anniversaries of the Series E Original Issue Date, the Corporation, at the option of the Board of Directors, may, upon satisfaction of the notice requirements set forth in Section H.5 below, redeem an amount equal to up to one-third, one-half and all of the unconverted shares of Series E Preferred issued and outstanding (but subtracting any shares redeemed pursuant to Section H.1 hereof) on the seventh, eighth and ninth anniversary, respectively, of the Series E Original Issue Date, from any source of funds legally available therefor.

5. At least thirty (30) but not more than sixty (60) days' previous notice by certified mail, postage prepaid, shall be given to the holders of record of the Series E Preferred for any redemption by the Company, pursuant to Section H.4 hereof, such notice to be addressed to each holder at the address shown in the Corporation's records and which shall specify the date of redemption, the number of shares



held by the holder to be redeemed and the date at which conversion rights terminate, which date shall be no earlier than five days prior to the date fixed for redemption. On or after the date of redemption as specified in such notice, each holder shall surrender such holders certificate for this number of shares to be redeemed as stated in the notice (except that such number of shares shall be reduced by the number of shares which have been converted pursuant to Section D hereof between the date of notice and the date on which conversion rights terminate) to this Corporation at the place specified in such notice. Provided such notice is duly given, and provided that on the redemption date specified there shall be a source of funds legally available for such redemption, and funds necessary for the redemption shall have been paid or made available at the place fixed for redemption, then all rights with respect to such shares shall, after the specified redemption date, terminate whether or not said certificates have been surrendered, excepting only that in the latter instance the right of the holder to receive the redemption price thereof, without interest, upon such surrender will not terminate.

I. Protective Provisions.

1. Series B Preferred Stock.

So long as any shares of Series B Preferred are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series B Preferred, voting separately as a series:

(A) amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or Bylaws if such action would adversely alter or change the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, the Series B Preferred;

(B) authorize any shares of any class or series of stock (or reclassify any existing class or series of Stock) having any preference or priority as to dividend, redemption, voting or conversion rights, liquidation preferences, or otherwise, superior to or on a parity with any such preference or priority to which the Series B Preferred are entitled hereunder;

(C) increase the authorized number of shares of Preferred Stock or the number of shares of any series of Preferred Stock;

(D) pay or declare any dividend or distribution on any shares of Common Stock or Preferred Stock or apply any of its assets to the redemption, retirement, purchase or other acquisition (or pay into or set aside for payment into a sinking fund for such purpose) directly, or indirectly through a subsidiary or otherwise, of any shares of Common Stock or Preferred Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from directors or employees of, and consultants to, the Corporation or any subsidiary pursuant to

agreements approved by the Board of Directors or pursuant to the Bylaws of the Corporation, under which the Corporation has the right to repurchase such shares upon the occurrence of certain events, including termination of employment or services;

(E) effect any transaction or series of related transactions in which more than 50% of the Corporation's voting power is transferred or any sale or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries; or

(F) increase or decrease the authorized number of directors on the Corporation's Board of Directors.

2. Series C Preferred Stock.

So long as any shares of Series C Preferred are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series C Preferred, voting separately as a series:

(A) amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or Bylaws if such action would adversely alter or change the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, the Series C Preferred;

(B) authorize any shares of any class or series of stock (or reclassify any existing class or series of Stock) having any preference or priority as to dividend, redemption, voting or conversion rights, liquidation preferences, or otherwise, superior to or on a parity with any such preference or priority to which the Series C Preferred are entitled hereunder;

(C) increase the authorized number of shares of Preferred Stock or the number of shares of any series of Preferred Stock;

(D) pay or declare any dividend or distribution on any shares of Common Stock or Preferred Stock or apply any of its assets to the redemption, retirement, purchase or other acquisition (or pay into or set aside for payment into a sinking fund for such purpose) directly, or indirectly through a subsidiary or otherwise, of any shares of Common Stock or Preferred Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from directors or employees of, and consultants to, the Corporation or any subsidiary pursuant to agreements approved by the Board of Directors or pursuant to the Bylaws of the Corporation, under which the Corporation has the right to repurchase such shares upon the occurrence of certain events, including termination of employment or services;

(E) effect any transaction or series of related transactions in which more than 50% of the Corporation's voting power is transferred or any sale or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries; or

(F) increase or decrease the authorized number of directors on the Corporation's Board of Directors.

3. Series D Preferred Stock.

So long as any shares of Series D Preferred are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series D Preferred, voting separately as a series:

(A) amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or Bylaws if such action would adversely alter or change the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, the Series D Preferred;

(B) authorize any shares of any class or series of stock (or reclassify any existing class or series of Stock) having any preference or priority as to dividend, redemption, voting or conversion rights, liquidation preferences, or otherwise, superior to or on a parity with any such preference or priority to which the Series D Preferred are entitled hereunder;

(C) increase the authorized number of shares of Preferred Stock or the number of shares of any series of Preferred Stock;

(D) pay or declare any dividend or distribution on any shares of Common Stock or Preferred Stock or apply any of its assets to the redemption, retirement, purchase or other acquisition (or pay into or set aside for payment into a sinking fund for such purpose) directly, or indirectly through a subsidiary or otherwise, of any shares of Common Stock or Preferred Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from directors or employees of, and consultants to, the Corporation or any subsidiary pursuant to agreements approved by the Board of Directors or pursuant to the Bylaws of the Corporation, under which the Corporation has the right to repurchase such shares upon the occurrence of certain events, including termination of employment or services;

(E) effect any transaction or series of related transactions in which more than 50% of the Corporation's voting power is transferred or any sale or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries; or

(F) increase or decrease the authorized number of directors on the Corporation's Board of Directors.

4. Series E Preferred Stock.

So long as any shares of Series E Preferred are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series E Preferred, voting separately as a series:

(A) amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or Bylaws if such action would adversely alter or change the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, the Series E Preferred;

(B) authorize any shares of any class or series of stock (or reclassify any existing class or series of Stock) having any preference or priority as to dividend, redemption, voting or conversion rights, liquidation preferences, or otherwise, superior to or on a parity with any such preference or priority to which the Series E Preferred are entitled hereunder;

(C) increase the authorized number of shares of Preferred Stock or the number of shares of any series of Preferred Stock;

(D) pay or declare any dividend or distribution on any shares of Common Stock or Preferred Stock or apply any of its assets to the redemption, retirement, purchase or other acquisition (or pay into or set aside for payment into a sinking fund for such purpose) directly, or indirectly through a subsidiary or otherwise, of any shares of Common Stock or Preferred Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from directors or employees of, and consultants to, the Corporation or any subsidiary pursuant to agreements approved by the Board of Directors or pursuant to the Bylaws of the Corporation, under which the Corporation has the right to repurchase such shares upon the occurrence of certain events, including termination of employment or services;

(E) effect any transaction or series of related transactions in which more than 50% of the Corporation's voting power is transferred or any sale or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries; or

(F) increase or decrease the authorized number of directors on the Corporation's Board of Directors.

ARTICLE IV

A. Limitation of Director's Liability. The liability of members of the Board of Directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

B. Indemnification of Corporation Agents. The corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) to the fullest extent permissible under California law.

C. Repeal or Modification. Any amendment, repeal or modification of any provision of this Article IV shall not adversely affect any right or protection of an agent of this corporation existing at the time of such amendment, repeal or modification.”

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors of the Corporation.

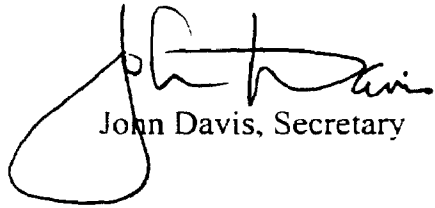
4. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the required vote of shareholders of the Corporation in accordance with Sections 902 and 903 of the Corporations Code. The total number of outstanding shares of the Corporation is 6,085,017 shares of Common Stock, 3,843,472 shares of Series A Preferred Stock, 6,315,790 shares of Series B Preferred Stock, 6,350,308 shares of Series C Preferred Stock and 2,562,387 shares of Series D Preferred Stock. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50% of the outstanding shares of Common Stock voting together as a separate class, more than 50% of the outstanding shares of Series B Preferred Stock voting together as a separate series, more than 50% of the outstanding shares of Series C Preferred Stock voting together as a separate series, more than 50% of the outstanding shares of Series D Preferred Stock voting together as a separate series, more than 50% of the outstanding shares of Preferred Stock voting together as a separate class, and more than 50% of the outstanding shares of Common Stock and Preferred Stock voting together.

The undersigned declare under penalty of perjury under the laws of the State of California that the matters set forth in the foregoing certificate are true and correct of their own knowledge.

Executed at Palo Alto, California on March 21, 2000.



Yu Ping Cheng, Senior Vice President



John Davis, Secretary

3/21/00

