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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005)

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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

Tab settings

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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):

New Sorrent, 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: Sorrent, Inc.

Internal

Address:

Street Address: 1810 Gateway Drive, Suite 200

City: San Mateo State: CA Zip: 94404

- 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: December 18, 2001

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

A. Trademark Application No.(s)

76/342,855, 75/982,536, 76/342,839, 76/342,568, 76/342,837

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

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

Name: Kimberly G. Russell

Internal Address: Steinhart & Falconer LLP

Street Address: 333 Market Street, Suite 3200

City: San Francisco State: CA Zip: 94105

6. Total number of applications and registrations involved:

37

7. Total fee (37 CFR 3.41).....\$ 140.00

- Enclosed, Authorized to be charged to deposit account

8. Deposit account number:

19-4215

(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature.

To the knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Kimberly G. Russell

Handwritten signature of Kimberly G. Russell

September 29, 2003

Name of Person Signing

Signature

Date

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

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

American LegalNet, Inc. www.USCourtForms.com

TRADEMARK REEL: 002840 FRAME: 0039

A0574288

AMENDED & RESTATED
ARTICLES OF INCORPORATION
OF
NEW SORRENT, INC.

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

DEC 19 2001

BILL JONES, Secretary of State

The undersigned, Scott Orr and Paul Zuzelo, hereby certify as follows:

1. They are respectively the President and Secretary of New Sorrent, Inc., a California corporation (this "Corporation").

2. The Articles of Incorporation of this Corporation are amended and restated in their entirety to read as follows:

"ARTICLE I

The name of this Corporation is Sorrent, Inc.

ARTICLE II

The nature of the business or purposes to be conducted or promoted by this Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of California.

ARTICLE III

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of Common Stock that this Corporation is authorized to issue is 20,000,000, with no par value. The total number of shares of Preferred Stock that this Corporation is authorized to issue is 6,940,096, with no par value, all of which are designated "Series A Preferred Stock."

B. A statement of the powers, rights, preferences, privileges and restrictions granted to or imposed upon the respective classes and series of the shares of capital stock or the holders thereof is as follows:

(1) **Dividends.**

(a) The holders of the Series A Preferred Stock shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of eight percent per share, per annum, for the Series A Preferred Stock (as adjusted for any stock splits, stock dividends, recapitalizations or the like with respect to the Series A Preferred Stock), payable in preference and priority to any payment of any dividend on Common Stock when, as and if declared by the Board of Directors. The right to such dividends on the Preferred Stock shall not be cumulative.

and no right shall accrue to holders of the Series A Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

In the event that this Corporation shall have declared but unpaid dividends outstanding immediately prior to, and in the event of, a conversion of Preferred Stock (as provided in Section 3 hereof), this Corporation shall, at the option of each holder, pay in cash to each holder of Preferred Stock subject to conversion the full amount of any such dividends or allow such dividends to be converted into Common Stock in accordance with, and pursuant to the terms specified in, Section 3 hereof.

(b) After payment of such dividends, any additional dividends or distributions shall be distributed among all holders of Common Stock and all holders of Preferred Stock in proportion to the number of shares of Common Stock which would be held by each such holder if all shares of Preferred Stock were converted to Common Stock at the effective conversion rate.

(2) Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of this Corporation, either voluntary or involuntary, prior and in preference to any distribution of any of the assets or funds of this Corporation to the holders of the Common Stock by reason of their ownership of such stock, the holders of Series A Preferred Stock shall be entitled to receive for each outstanding share of Series A Preferred Stock then held by them an amount equal to \$0.616 plus declared but unpaid dividends on such share (as adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like with respect to the Series A Preferred Stock). If, upon the occurrence of a liquidation, dissolution or winding up, the assets and funds of this Corporation legally available for distribution to shareholders by reason of their ownership of stock of this Corporation shall be insufficient to permit the payment to such holders of the Series A Preferred Stock of the full aforementioned preferential amount, then the entire assets and funds of this Corporation legally available for distribution to shareholders by reason of their ownership of stock of this Corporation shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) After payment has been made to the holders of the Series A Preferred Stock of the full amounts to which they shall be entitled as provided in subsection (a) above, all remaining assets of this Corporation shall be distributed among all holders of the Series A Preferred Stock and all holders of Common Stock pro rata based on the number of shares of Common Stock outstanding and the number of shares of Common Stock which would be held by each such holder if all shares of the Series A Preferred Stock were converted into Common Stock at the then effective Conversion Price (as defined in Section 3(a) below).

(c) For purposes of this Section 2, a liquidation, dissolution or winding up of this Corporation shall be deemed to be occasioned by, and to include, the sale, conveyance, or disposition of all or substantially all of its property or business, or merger into or consolidate with, any other corporation (other than a wholly-owned subsidiary corporation) or any

transaction or series of related transactions in which either (i) more than fifty percent (50%) of the voting power of this Corporation is disposed of, or (ii) the shareholders of this Corporation immediately prior to such transaction or series of related transactions own less than fifty percent (50%) of the outstanding voting power of this Corporation immediately after such transaction or series of related transactions, excluding any consolidation or merger effected exclusively to change the domicile of this Corporation and the issuance of Series A Preferred Stock; provided, however, the holders of a majority of the outstanding shares of Series A Preferred Stock may elect to waive the treatment of a transaction as a liquidation event as defined herein this Section 2(c).

(d) Notwithstanding this Section 2, each holder of Series A Preferred Stock shall have the right to elect the benefits of the provisions of Section 3(a) below or other applicable conversion provisions in lieu of receiving payment on any liquidation, dissolution or winding up of this Corporation, either voluntary or involuntary, pursuant to this Section 2.

(e) In any of the events specified in Section 2(c) above, if the consideration received by this Corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(i) Securities not subject to restrictions on free marketability:

(A) If traded on a securities exchange or the Nasdaq National Market System, the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the thirty-day period ending three (3) days prior to the closing;

(B) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty-day period ending three (3) days prior to the closing; and

(C) If there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors.

(ii) The method of valuation of securities subject to restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (i) (A), (B) or (C) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors.

(3) Conversion. The holders of Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of this Corporation or any transfer agent for such Series A Preferred Stock,

into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Issue Price of the Series A Preferred Stock by the Conversion Price at the time in effect for such shares of Series A Preferred Stock. The "Original Issue Price" per share of Series A Preferred Stock is \$0.616. The "Conversion Price" per share of Series A Preferred Stock, as of the date of filing hereof, shall be \$0.616, subject to adjustment from time to time as provided below.

(b) Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price immediately upon the earlier of (i) the effectiveness 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 for the account of this Corporation to the public for an aggregate offering price of not less than \$20,000,000, or (ii) the date specified pursuant to an election to convert all Series A Preferred Stock into Common Stock by holders of at least a majority of the then outstanding shares of Series A Preferred Stock, at a duly held meeting or by written consent or other agreement. In the event of an offering under Section 3(b)(i) above, the person(s) entitled to receive the Common Stock issuable upon such conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock into Common Stock until immediately prior to the closing of such underwritten public offering.

(c) Mechanics of Conversion. No fractional shares of Common Stock shall be issued upon conversion of Series A Preferred Stock. In lieu of any fractional share to which a holder would otherwise be entitled, this Corporation shall pay cash equal to such fraction multiplied by the fair market value of the Common Stock as determined by the Board of Directors. Before any holder of Series A Preferred Stock shall be entitled to convert the same into full shares of Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of this Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice to this Corporation at such office that he elects to convert the same. Such notice shall also state whether the holder elects, pursuant to Section 1 hereof, to receive declared but unpaid dividends on the Series A Preferred Stock proposed to be converted in cash, or to convert such dividends into shares of Common Stock at their fair market value as determined by the Board of Directors. This Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into a fractional share of Common Stock, and any declared but unpaid dividends on the converted Series A Preferred Stock which the holder elected to receive in cash. 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 Series A Preferred Stock to be converted, 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. If the conversion is in connection with an underwritten public offering of securities registered pursuant to the Securities Act of 1933, as amended, the conversion shall be conditioned upon the closing of such public offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Preferred Stock shall be deemed to have converted such Series A Preferred Stock immediately prior to such closing

without regard to whether certificates representing and converted shares of Series A Preferred Stock have been surrendered.

(d) Adjustments to Conversion Price for Diluting Issues.

(i) Special Definitions. For purposes of this Section 3, the following definitions shall apply:

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

(2) "Convertible Securities" shall mean any evidences of indebtedness, shares (other than Common Stock, Series A Preferred Stock) or other securities convertible into or exchangeable for Common Stock.

(3) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Section 3(d)(iii), deemed to be issued) by this Corporation after the Original Issue Date, other than shares of Common Stock issued or issuable:

(A) upon conversion of shares of Series A Preferred Stock;

(B) to officers, directors or employees of, or consultants to, this Corporation pursuant to a stock grant, option plan or purchase plan or other employee stock incentive program approved by the Board of Directors;

(C) to financial institutions or lessors in connection with real estate leases, commercial credit arrangements, equipment financings or similar transactions approved by the Board where the primary purpose of the arrangement is for non-equity financing;

(D) pursuant to a strategic partnership, joint venture or other arrangement approved by the Board where the primary purpose of the arrangement is not to raise capital;

(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 clauses (A), (B), (C), and (D) or on shares of Common Stock so excluded;

(F) as a dividend or distribution on the Series A Preferred Stock or any event for which adjustment is made pursuant to subsection (d) (iv) hereof;

(G) pursuant to a stock split or other similar reorganization for which adjustment is made pursuant to subsection (d)(vi) hereof;

(H) for consideration other than cash pursuant to a merger, consolidation, acquisition, or similar business combination approved by the Board, including the approval of the directors elected by the Preferred Stock; or

(I) pursuant to a vote of a majority of the holders of Series A Preferred Stock that such shares shall not be deemed "Additional Securities."

(4) "Original Issue Date" shall mean the date on which the first share of Series A Preferred Stock is issued.

(ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price of a particular share of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share for an Additional Share of Common Stock issued or deemed to be issued by this Corporation is less than the Conversion Price in effect on the date of, and immediately prior to such issue, for such share of Preferred Stock.

(iii) Deemed Issue of Additional Shares of Common Stock.

(1) Options and Convertible Securities. Except as provided in Section 3(d)(i)(3) above, in the event this Corporation at any time or from time to time after the date of filing hereof 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 therefor, 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 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 unless the consideration per share (determined pursuant to Section 3(d)(v) hereof) of such Additional Shares of Common Stock would be less than the Conversion Price in effect for such series of Preferred Stock 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 Price 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 in the consideration payable to this Corporation, or decrease in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Conversion Price 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 Price computed upon the date of filing hereof, and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(i) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were 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 this Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by this Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, and

(ii) 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 this Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by this Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by this Corporation upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

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

(2) Stock Dividends. In the event this Corporation, at any time or from time to time after the date of filing hereof, shall declare or pay any dividend on the Common Stock payable in Common Stock, then Additional Shares of Common Stock shall be deemed to have been issued 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.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event this Corporation shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 3(d)(iii)) without consideration or for a consideration per share less than the Conversion Price of the Series A Preferred Stock in effect on the date of and immediately prior to such issue, then and in such event, such Conversion Price of such series shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by this Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock

outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued; and provided further that, for the purposes of this Section 3(d)(iv), all shares of Common Stock issuable upon conversion of all outstanding Preferred Stock and all outstanding Convertible Securities, and upon exercise of all outstanding Options bearing an exercise price which is lower than the price at which the Additional Shares of Common Stock were issued (or deemed to be issued), shall be deemed to be outstanding, and immediately after any Additional Shares of Common Stock are deemed issued pursuant to subsection (iii), such Additional Shares of Common Stock shall be deemed to be outstanding.

(v) Determination of Consideration. For purposes of this Section 3(d), the consideration received by this 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 this 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 issuance, as determined by the Board of Directors in the good faith exercise of its reasonable business judgment; and

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

(2) Options and Convertible Securities. The consideration per share received by this Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 3(d)(iii)(1), relating to Options and Convertible Securities, shall be determined by dividing:

(x) the total amount, if any, received or receivable by this 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 this 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

(y) 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.

(3) Stock Dividends. Any Additional Shares of Common Stock deemed to have been issued relating to stock dividends shall be deemed to have been issued for no consideration.

(vi) Adjustments for Subdivisions, Combinations, or Consolidations of Common Stock. In the event the number of shares of Common Stock outstanding at any time after the filing of this Amended and Restated Articles of Incorporation shall be subdivided or combined, by reclassification or otherwise, into a greater or lesser number of shares of Common Stock, the Conversion Price in effect immediately prior to such subdivision or combination shall, concurrently with the effectiveness of such subdivision, combination or consolidation, be proportionately adjusted.

(vii) Other Distributions. In the event this Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 3(d)(vi), then, in each such case for the purpose of this subsection 3(d)(vii), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of this Corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of this Corporation entitled to receive such distribution.

(viii) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 3 or Section 2), then provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of this Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Preferred Stock after the recapitalization to the end that the provisions of this Section 3 (including adjustment of the Conversion Price 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.

(e) Special Mandatory Conversion.

(i) In the event:

(1) this Corporation consummates a financing pursuant to which the holders of Series A Preferred Stock may exercise a right of first offer to purchase its Pro Rata Share (as defined below) of the securities sold in such financing (the "Right of First Offer");

(2) a majority of the Board of Directors of this Corporation and a majority of the holders of Series A Preferred Stock determine that it is in the best interests

of this Corporation for the holders of Series A Preferred Stock of this Corporation to participate in the financing (in which case such financing will be deemed a "Mandatory Offering") and determines the aggregate dollar amount to be invested by all holders of Series A Preferred Stock (the "Aggregate Investment Amount," which amount may be more than or less than the holders' right to participate in the financing pursuant to the Right of First Offer);

(3) this Corporation delivers a notice ("Notice") to the holders of Series A Preferred Stock (A) stating this Corporation's bona fide intention to consummate the Mandatory Financing, (B) indicating the number of securities to be offered, (C) indicating the price and terms upon which it proposes to offer such securities, (D) identifying the Pro Rata Share (as defined below) of each holder of Series A Preferred Stock of the Aggregate Investment Amount, and (E) offering each holder of Series A Preferred Stock the right to purchase such holder's Pro Rata Share (as defined below) of the Aggregate Investment Amount within the time periods set forth in the Notice; and

(4) a holder (or an affiliate of such holder) of Series A Preferred Stock (a "Non-Participating Holder") does not acquire at least its Pro Rata Share of the Aggregate Investment Amount within the time periods set forth in the Notice;

then all Preferred Stock now owned or hereinafter acquired by the Non-Participating Holder shall automatically and without further action on the part of such holder be converted, effective upon, subject to and concurrently with the consummation of the Mandatory Offering (the "Mandatory Offering Date"), into shares of Common Stock of this Corporation at a Conversion Price equal to the Original Issue Price of the Series A Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations or the like with respect to the Series A Preferred Stock); *provided, however*, in the event a Non-Participating Holder elects to invest an amount less than his, her or its Pro Rata Share, then only that percentage of such Non-Participating Holder's shares of Series A Preferred Stock equal to the percentage of such Non-Participating Holder's Pro Rata Share of the Aggregate Investment Amount not acquired by such Non-Participating Holder shall convert into shares of Common Stock of this Corporation at a Conversion Price equal to the Original Issue Price of the Series A Preferred Stock (as adjusted for stock splits, stock dividends, recapitalizations or the like with respect to the Series A Preferred Stock).

For purposes of this subsection (e), each holder's Pro Rata Share of the Aggregate Investment Amount shall be a fraction obtained by dividing (a) the sum of the total number of shares of Common Stock issuable upon conversion of the Series A Preferred Stock held by the holder (excluding any Special Mandatory Conversion Shares) by (b) the total number of shares of Common Stock issuable upon the conversion of the Series A Preferred Stock (excluding any Special Mandatory Conversion Shares). For purposes of calculating a holder's Pro Rata Share, the applicable number of shares of Common Stock issuable upon conversion of the shares of Series A Preferred Stock shall be calculated based on the number of shares of Series A Preferred Stock outstanding immediately following the closing of the Mandatory Offering, assuming full participation of all such holders of Preferred Stock in such Mandatory Offering.

(ii) The Non-Participating Holder, whose shares of Preferred Stock are converted pursuant to this Subsection 3(e), shall deliver to this Corporation during

regular business hours at the office of any transfer agent of this Corporation for the Preferred Stock, or at such other place as may be designated by this Corporation, the certificate or certificates for the shares so converted, duly endorsed or assigned in blank or to this Corporation. As promptly as practicable thereafter, this Corporation shall issue and deliver to such holder, at the place designated by such holder, a certificate or certificates for the number of full shares of the Common Stock to be issued and such holder shall be deemed to have become a shareholder of record of Common Stock on the Mandatory Offering Date, unless the transfer books of this Corporation are closed on that date, in which event such holder shall be deemed to have become a shareholder of record of Common Stock on the next succeeding date on which the transfer books are open.

(iii) In the event that a holder of Preferred Stock converts any Preferred Stock into Common Stock pursuant to subsection 3(e) hereof within ninety (90) days prior to the date of closing of a Mandatory Offering, such holder shall be deemed to have converted such shares pursuant to this subsection 3(e).

(f) No Impairment. This Corporation will not, by amendment of its Amended and Restated Articles of Incorporation or through any reorganization, transfer of assets, 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 this Corporation but will at all times in good faith assist in the carrying out of all the provisions of this Section 3 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.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 3, this 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. This 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.

(h) Notices of Record Date. In the event that this Corporation shall propose at any time:

(i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights;

(iii) to effect any reclassification or recapitalization of its Common Stock shares outstanding involving a change in the Common Stock shares; or

(iv) to merge with or into any other corporation, or sell, lease or convey all or substantially all its property or business, or to liquidate, dissolve or wind up;

then, in connection with each such event, this Corporation shall send to the holders of the Preferred Stock:

(1) at least twenty (20) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) in respect of the matters referred to in (i) and (ii) above or for determining rights to vote in respect of the matters referred to in (iii) and (iv) above; and

(2) in the case of the matters referred to in (iii) and (iv) above, at least twenty (20) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

Each such written notice shall be delivered personally, given by facsimile or given by first class mail, postage prepaid, addressed to the holders of Preferred Stock shares at the address for each such holder as shown on the books of this Corporation.

(4) Voting Rights and Directors.

(a) Vote Other than for Directors. Except as otherwise required by law and as provided in subsection (b) below with respect to the election of directors, the holders of Series A Preferred Stock and the holders of Common Stock shall be entitled to notice of any shareholders' meeting and to vote as a single class upon any matter submitted to the shareholders for a vote, as follows: (i) each holder of Series A Preferred Stock shall have one vote for each full share of Common Stock into which his or her shares of Series A Preferred Stock would be convertible on the record date for the vote, and (ii) the holders of Common Stock shall have one vote per share of Common Stock.

(b) Number of Directors and Voting for Directors. The authorized number of directors of this Corporation shall be fixed by this Corporation's Board of Directors as set forth in this Corporation's Bylaws. For so long as more than 2,000,000 shares of Series A Preferred Stock remain outstanding (as adjusted for stock splits, stock dividends, recapitalizations or the like with respect to the Series A Preferred Stock), the holders of Series A Preferred stock, voting as a class, shall be entitled to elect two (2) directors. The holders of the Common Stock, voting as a class, shall be entitled to elect two (2) directors. All remaining directors, if any, shall be elected by the holders of Common Stock and Preferred Stock, voting together as a single class on an as-converted to Common Stock basis. Any vacancy in the Board of Directors occurring because of the death, resignation or removal of a director elected by the holders of Preferred Stock or Common Stock, voting as a class, shall be filled by the vote or

written consent of the holders of a majority of the class which elected such director or, in the absence of action by such holders, by action of the remaining director or directors elected by the holders of such class. Any vacancy occurring because of the death, resignation or removal of a director elected by the vote of both the Common Stock and the Preferred Stock shall be filled by the vote or written consent of the holders of the Preferred Stock and the Common Stock voting as provided in subsection (a) or, in the absence of action by such holders of Preferred Stock and Common Stock, by action of the remaining directors then in office. A director may be removed from the Board of Directors with or without cause by the vote or consent of the holders of the outstanding class with voting power entitled to elect such director in accordance with the General Corporation Law of the State of California.

(5) **Protective Provisions.** In addition to any other rights provided by law, so long as more than 2,000,000 shares of the Series A Preferred Stock shall be outstanding (as adjusted for stock splits, stock dividends, recapitalizations or the like with respect to the Series A Preferred Stock), this Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of such outstanding shares of Preferred Stock, voting together as a single class:

(a) amend, alter or repeal any provision of this Amended and Restated Articles of Incorporation or the Bylaws of this Corporation;

(b) increase or decrease (other than by conversion) the total authorized number of shares of the Series A Preferred Stock;

(c) authorize or issue shares of any equity security having rights, preferences or privileges superior to or on a parity with the rights, preferences or privileges of the Series A Preferred Stock enumerated herein;

(d) reclassify shares of any outstanding class of stock having rights, preferences or privileges superior to or on a parity with the rights, preferences or privileges of the Series A Preferred Stock;

(e) increase or decrease the authorized number of members of this Corporation's Board of Directors;

(f) declare or pay any dividends on the Common Stock or redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for this Corporation or any subsidiary pursuant to agreements under which this Corporation has the option to repurchase such shares at cost or at cost upon the occurrence of certain events, such as the termination of employment;

(g) sell, convey, or otherwise dispose of all or substantially all of its property or business or merge into or consolidate with any other corporation (other than a wholly-owned subsidiary corporation) or effect any transaction or series of related transactions in

which either (i) more than fifty percent (50%) of the voting power of this Corporation is disposed of, or (ii) the shareholders of this Corporation immediately prior to such transaction or series of related transactions own less than fifty percent (50%) of the outstanding voting power of this Corporation immediately after such transaction or series of related transactions; or

(h) the liquidation or dissolution of this Corporation.

(6) Redemption. The Preferred Shares shall not be redeemable by the holders of such shares.

(7) Status of Converted Stock. In the event any shares of Series A Preferred Stock shall be converted pursuant to Section 3 hereof, the shares so converted shall automatically be canceled and shall not be issuable by this Corporation, and the Amended and Restated Articles of Incorporation of this Corporation shall be appropriately amended to effect the corresponding reduction in this Corporation's authorized capital stock.

(8) No Reissuance of Series A Preferred. No share or shares of Series A Preferred acquired by this Corporation by reason of purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which this Corporation shall be authorized to issue.

(9) Residual Rights. All rights accruing to the outstanding shares of this Corporation not expressly provided for to the contrary herein shall be vested in the Common Stock.

ARTICLE IV

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

B. Indemnification of Corporate Agents. This Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with agents, vote for shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to this Corporation and its shareholders.

C. Repeal or Modification. Any repeal or modification of the foregoing provisions of this Article IV shall not adversely affect any right of indemnification or limitation of liability of an agent of this Corporation relating to acts or omissions occurring prior to such repeal or modification."

* * *

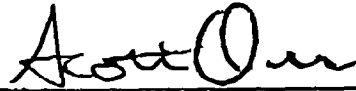
* * *

3. The foregoing Amended and Restated Articles of Incorporation have been duly approved and adopted by the Board of Directors of this Corporation.

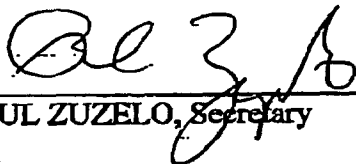
4. The foregoing Amended and Restated Articles of Incorporation have been duly approved by the required vote of shareholders in accordance with Section 902 of the California Corporations Code. The total number of shares of this Corporation outstanding is 5,000,000 shares of Common Stock. The number of shares voting in favor of the amendment exceeded the percentage vote required, which requirement is more than fifty percent.

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

Dated: December 18, 2001



SCOTT ORR, President



PAUL ZUZELO, Secretary