

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ARCADIAN MANAGEMENT SERVICES, INC.**

Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, as amended, the undersigned, being the President of Arcadian Management Services, Inc. (the "Corporation"), does hereby certify:

1. The name of the Corporation is Arcadian Management Services, Inc. The date of filing of the original Certificate of Incorporation was July 16, 1996 under the name Community Hospital Affiliates Management Association, Inc.
2. This Amended and Restated Certificate of Incorporation amends, restates and integrates the provisions of the Certificate of Incorporation, as heretofore amended or amended and restated, of the Corporation and has been duly adopted in accordance with Sections 141(f), 228, 242 and 245 of the General Corporation law of the State of Delaware pursuant to the written consent of the Board of Directors of the Corporation and the written consent of the stockholders of the Corporation.
3. The text of the Certificate of Incorporation, as heretofore amended or amended and restated, of the Corporation, is hereby amended and restated to read in its entirety as follows.

ARTICLE I.

The name of the corporation is Arcadian Management Services, Inc.

ARTICLE II.

The address of the registered office of the corporation in the State of Delaware is 15 East North Street, County of Kent, Dover, Delaware 19903-0899. The name of its registered agent at such address is Incorporating Services, Ltd.

ARTICLE III.

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

ARTICLE IV.

A. **Classes of Stock.** The corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock. The total number of shares which the corporation is authorized to issue is nine million two hundred fifty thousand (9,250,000) shares. Five million six hundred thousand (5,600,000) shares shall be Common Stock, \$0.001 par value, and three million six hundred fifty thousand (3,650,000) shares shall be Preferred Stock, \$0.001 par value, of which one million five hundred thousand (1,500,000) shares shall be designated as "Series A Preferred Stock," one million seven hundred thousand (1,700,000) shares shall be designated as "Series B Preferred Stock" and four hundred fifty thousand (450,000) shares shall be designated as "Series B-1 Preferred Stock."

B. **Rights, Preferences, Privileges and Restrictions of Preferred Stock.** The Preferred Stock authorized by this Restated Certificate of Incorporation may be issued from time to time in one or more series. The rights, preferences, privileges and restrictions granted to and imposed on the Series A Preferred Stock and Series B Preferred Stock are as set forth below in this Article IV, Section B. The Board of Directors is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon additional series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or of any of them. Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof in Certificates of Determination or the Amended and Restated Certificate of Incorporation of the corporation, as may be amended from time to time (the "Protective Provisions"), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such additional series may be subordinated to, *pari passu* with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent) or senior to any of those of any present or future class or series of Common Stock or Preferred Stock. Subject to compliance with the applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares of any series (other than the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock), prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

1. Dividend Provision.

Subject to the rights of series of Preferred Stock which may from time to time come into existence, the holders of shares of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefore, if and when declared by the Board of Directors, pari passu with any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the corporation) on the Common Stock of the corporation.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the corporation, either voluntary or involuntary, subject to the rights of series of Preferred Stock that may from time to time come into existence, the holders of Series A Preferred Stock shall be entitled to receive, pari passu with any distribution of any of the assets of the corporation to the holders of Series B Preferred Stock and Series B-1 Preferred Stock and prior and in preference to any distribution of any of the assets of the corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$1.00 for each outstanding share of Series A Preferred Stock (the "Original Series A Issue Price") and (ii) an amount equal to declared but unpaid dividends on such share (the "Series A Liquidation Preference"). In the event of any liquidation, dissolution or winding up of the corporation, either voluntary or involuntary, subject to the rights of series of Preferred Stock that may from time to time come into existence, the holders of Series B Preferred Stock shall be entitled to receive, pari passu with any distribution of any of the assets of the corporation to the holders of Series A Preferred Stock and Series B-1 Preferred Stock and prior and in preference to any distribution of any of the assets of the corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$1.925 for each outstanding share of Series B Preferred Stock (the "Original Series B Issue Price") and (ii) an amount equal to declared but unpaid dividends on such share (the "Series B Liquidation Preference"). In the event of any liquidation, dissolution or winding up of the corporation, either voluntary or involuntary, subject to the rights of series of Preferred Stock that may from time to time come into existence, the holders of Series B-1 Preferred Stock shall be entitled to receive, pari passu with any distribution of any of the assets of the corporation to the holders of Series B Preferred Stock and Series A Preferred Stock and prior and in preference to any distribution of any of the assets of the corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of (i) \$1.00 for each outstanding share of Series B-1 Preferred Stock (the "Original Series B-1 Issue Price") and (ii) an amount equal to declared but unpaid dividends on such share (the "Series B-1 Liquidation Preference"). If

upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of series of Preferred Stock that may from time to time come into existence, the entire assets and funds of the corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock in proportion to the respective amount of liquidation preference to which such holders are entitled.

(b) Upon the completion of the distribution required by Section 2(a) above and any other distribution that may be required with respect to series of Preferred Stock that may from time to time come into existence, the remaining assets of the corporation available for distribution to stockholders shall be distributed among the holders of Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Common Stock pro rata based on the number of shares of Common Stock held by each (assuming conversion of all such Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock).

(c) (i) For purposes of this Section 2, a liquidation, dissolution or winding up of the corporation shall be deemed to be occasioned by, or to include, (A) the acquisition of the corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation but, excluding any merger effected exclusively for the purpose of changing the domicile of the corporation) or (B) a sale of all or substantially all of the assets of the corporation; unless the stockholders of record of the corporation as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the acquisition or sale or otherwise of the corporation) hold at least fifty percent (50%) of the voting power of the surviving or acquiring entity.

(ii) In any of such events, if the consideration received by the corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability (covered by Section (B) below):

(1) If traded on a securities exchange or through NASDAQ-NMS, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is

applicable) over the thirty (30) day period ending three (3) days prior to the closing; and

(3) If there is no active public market, the value shall be the fair market value thereof, as mutually determined by the Board of Directors and the holders of at least a majority of the voting power of all then outstanding shares of Preferred Stock.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in Sections (A)(1), (2) or (3) to reflect the approximate fair market value thereof, as mutually determined by the corporation and the holders of at least a majority of the voting power of all then outstanding shares of such Preferred Stock.

(iii) In the event the requirements of this Section 2(c) are not complied with, the corporation shall forthwith either:

(A) cause such closing to be postponed until such time as the requirements of this Section 2 have been complied with; or

(B) cancel such transaction, in which event the rights, privileges and preferences of the holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall revert to and be the same as such rights, privileges and preferences existing immediately prior to the date of the first notice referred to in Section 2(c)(iv) below.

(iv) The corporation shall give each holder of record of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock written notice of such impending transaction not later than twenty (20) days prior to the stockholders meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the corporation has given the first notice provided for herein or sooner than ten (10) days after the corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of Preferred Stock that are entitled to such notice rights or similar notice rights and that represent at least a majority of the voting power of all then outstanding shares of such Preferred Stock.

3. Conversion.

The holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) **Right to Convert.** Each share of Series A Preferred Stock, Series B Preferred Stock and Series B-1 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 the corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Issue Price, Original Series B Issue Price or Original Series B-1 Issue Price, as may be applicable, by the Conversion Price applicable to such share, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. The initial Conversion Price per share for shares of Series A Preferred Stock shall be the Original Series A Issue Price, the initial Conversion Price per share for shares of Series B Preferred Stock shall be the Original Series B Issue Price and the initial Conversion Price per share for shares of Series B-1 Preferred Stock shall be the Original Series B-1 Issue Price; provided, however, that the Conversion Price for the Series A Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock shall be subject to adjustment as set forth in Section 3(d) below.

(b) **Automatic Conversion.** Each share of Series A Preferred Stock, Series B Preferred Stock and the Series B-1 Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, as may be applicable, immediately upon the earlier of (i) except as provided below in Section 3(c), the sale by the corporation of its Common Stock in a final commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended, the public offering price of which was not less than \$5.00 per share (adjusted to reflect subsequent stock dividends, stock splits or recapitalization) and \$20,000,000 in the aggregate or (ii) the date specified by written consent or agreement of the holders of not less than sixty-six and two-thirds percent (66.67%) of the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock and the Series B-1 Preferred Stock, voting together as a single class.

(c) **Mechanics of Conversion.** Before any holder of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock shall be entitled to convert the same into shares of Common Stock, he, she or it shall surrender the certificate or certificates therefor, duly endorsed, at the office of the corporation or of any transfer agent for the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, and shall give written notice to the

corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. 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, Series B Preferred Stock or Series B-1 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 as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of the Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock shall not be deemed to have converted such Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock until immediately prior to the closing of such sale of securities.

(d) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations. The Conversion Price of the Series A Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock shall be subject to adjustment from time to time as follows:

(i) (A) If the corporation shall issue, after the date upon which any shares of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock were first issued (the "Purchase Date" with respect to such series), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for such series in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i) be adjusted to a price 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 issuance plus the number of shares of Common Stock that the aggregate consideration received by the corporation for such issuance 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 issuance plus the number of shares of such Additional Stock.

(B) No adjustment of the Conversion Price for the Series A Preferred Stock, the Series B Preferred Stock or Series B-1 Preferred Stock shall be made in an amount less than one cent (\$0.01) per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three (3) years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in Sections (E)(3) and (E)(4) below, no adjustment of such Conversion Price pursuant to this Section 3(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(E) In the case of the issuance (whether before, on or after the applicable Purchase Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this Section 3(d)(i) and Section 3(d)(ii) below:

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (to the extent then exercisable) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in Sections 3(d)(i)(C) and (d)(i)(D) above), if any, received by the corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange (to the extent then convertible or exchangeable) for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible

or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in Sections 3(d)(i)(C) and (d)(i)(D) above).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, without limitation, a change resulting from the antidilution provisions thereof, the Conversion Price of the Series A Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of the Series A Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Sections 3(d)(i)(E)(1) and (2) above shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section 3(d)(i)(E)(3) or (4) above.

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 3(d)(i)(E) above) by the corporation after the Purchase Date other than:

(A) shares of Common Stock issued pursuant to a transaction described in Section 3(d)(iii) below;

(B) shares of Common Stock issued upon conversion of shares of the Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, or as a dividend or distribution on the Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock;

(C) shares of Common Stock issued to banks, lenders and equipment lessors in connection with debt financings or equipment leases;

(D) shares of Common Stock issued for consideration other than cash in connection with mergers, consolidations, acquisitions of assets and other acquisitions as approved by the Board of Directors;

(E) any shares of Common Stock issuable or issued to officers, directors, employees of, or consultants to, the corporation pursuant to the 1997 Equity Incentive Plan of the corporation (the "Plan"), subject to appropriate adjustments for stock splits, stock, dividend combinations or other recapitalizations;

(F) shares of Common Stock issued to certain physicians or others affiliated with healthcare provider services organizations controlled by or affiliated with the corporation on terms and conditions approved by the Board of Directors up to a maximum of twenty percent (20%) of the outstanding capital stock of the Company on a fully-diluted basis;

(G) shares of Common Stock issued or issuable (i) in a public offering before or in connection with which all outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock will be converted to Common Stock or (ii) upon exercise of warrants or rights granted to underwriters in connection with such a public offering;

(H) shares of Common Stock issued by way of dividend or other distribution on shares of Common Stock excluded from the definition of Additional Stock by the foregoing clauses (A), (B), (C), (D), (E), (F) or (G).

(iii) In the event the corporation should at any time or from time to time after the Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or

rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in Section 3(d)(i)(E) above.

(iv) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) Other Distributions. In the event the corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 3(d)(i) above, then, in each such case for the purpose of this Section 3(e), the holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 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 the corporation into which their shares of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the corporation entitled to receive such distribution.

(f) 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 above) provision shall be made so that the holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock the number of shares of stock or other securities or property of the Company 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 3 with respect to the rights of the holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 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 Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(g) **No Impairment.** Without the consent of the then outstanding shares of Preferred Stock, the corporation will not, by amendment of this Restated Certificate of Incorporation or through any reorganization, recapitalization, 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 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 Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock against impairment.

(h) **No Fractional Shares and Certificate as to Adjustments.**

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock pursuant to this Section 3, the corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock, Series B Preferred Stock and Series B-1 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 Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustment and readjustment, (ii) the Conversion Price for such series of Preferred Stock 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 a share of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock.

(i) **Notice 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) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the corporation shall mail to each holder of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(j) **Reservation of Stock Issuable Upon Conversion.** The corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, the corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Restated Certificate of Incorporation.

(k) **Notices.** Any notice required by the provisions of this Section 3 to be given to the holders of shares of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of the corporation.

4. **Voting Rights; Directors.**

(a) The holder of each share of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock shall have the right to one vote for each share of Common Stock into which such Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, as the case may be, could then be converted, and with respect to such vote, such holder shall have full voting rights

and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders meeting in accordance with the bylaws of the corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-convened basis (after aggregating all shares into which shares of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) The Board of Directors shall consist of seven (7) members. The holders of the Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, voting together as a single class, shall be entitled to elect three (3) members of the Board of Directors. The holders of the Common Stock, voting together as a class, shall be entitled to elect the remaining four (4) members of the Board of Directors; provided, however, upon certain conditions as set forth in Section 5 of the Amended and Restated Investors Rights Agreement, dated as of October 27, 2004, between the Corporation and the stockholders named therein, as may be amended from time to time (the "Investors Rights Agreement"), the holders of a majority of the Series B Preferred Stock and Series B-1 Preferred Stock then outstanding, voting together as a single class, may be entitled to elect a majority of the members of the Board of Directors and the size of the authorized Board of Directors will be increased to effect such election.

(c) Directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Each director shall hold office either until the expiration of the term for which elected or appointed and until a successor has been elected and qualified, or until the death, resignation or removal of such director. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(d) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled, unless, at the time of such election, the corporation is subject to Section 2115(b) of the California General Corporation Law (the "CGCL"). During such time or times that the corporation is subject to Section 2115(b) of the CGCL, every stockholder entitled to vote at an election for directors may cumulate the votes of such stockholder and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shares of such stockholder are otherwise entitled, or distribute the votes of such stockholders on the same principal among as many candidates as such stockholder thinks fit. No stockholder, however, shall be entitled to so cumulate the votes of such stockholder unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting and (ii)

the stockholder has given notice at the meeting, prior to the voting, of the intention of such stockholder to cumulate the votes of such stockholder. If any stockholder has given proper notice, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. The candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

5. Removal of Directors.

(a) During such time or times that the corporation is subject to Section 2115(b) of the CGCL, the Board of Directors or any individual director may be removed from office at any time with or without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such removal; provided, however, that unless the entire Board of Directors is removed, no individual director may be removed when the votes cast against the removal of such director, or not consenting in writing to such removal, would be sufficient to elect that director if voted cumulatively at an election which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of such director's most recent election were then being elected.

(b) Following any date on which the corporation is no longer subject to Section 2115(b) of the CGCL and subject to any limitations imposed by law, this Section 5 shall no longer apply and (i) any director elected as a member of the Board of Directors by the holders of Common Stock may be removed from office at any time with or without cause by the affirmative vote of the holders of a majority of the then outstanding shares of Common Stock, (ii) any director elected as a member of the Board of Directors by the holders of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, voting together as a single class, may be removed from office at any time with or without cause by the affirmative vote of the holders of a majority of the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock (on an as converted to Common Stock basis, voting together as a single class) and (iii) any director elected as a member of the Board of Directors by the holders of a majority of the outstanding Series B Preferred Stock and Series B-1 Preferred Stock pursuant to Section 5 of the Investors Rights Agreement may be removed from office at any time with or without cause by the affirmative vote of the holders of a majority of the then outstanding shares of Series B Preferred Stock and Series B-1 Preferred Stock (on an as converted to Common Stock basis, voting together as a single class).

6. Vacancies.

(a) Subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause and any newly created directorships

resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders, except as otherwise provided by law, be filled at the direction of the stockholders as set forth in Section 4(b) hereof, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

(b) If at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole Board of Directors (as constituted immediately prior to any such increase), the Delaware Court of Chancery may, upon application of any stockholder holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in offices as aforesaid, which election shall be governed by Section 211 of the Delaware General Corporation Law.

(c) During such time or times that the corporation is subject to Section 2115(b) of the CGCL, if, after the filling of any vacancy by the directors then in office who have been elected by stockholders shall constitute less than a majority of the directors then in office, then (i) any holder or holders of an aggregate of five percent (5%) or more of the total number of shares at the time outstanding having the right to vote for those directors may call a special meeting of stockholders or (ii) the superior court of the proper county shall, upon application of such stockholder or stockholders, summarily order a special meeting of stockholders, to be held to elect the entire Board of Directors, all in accordance with Section 305(c) of the CGCL. The term of office of any director shall terminate upon that election of a successor.

7. Protective Provisions.

Subject to the rights of series of Preferred Stock which may from time to time come into existence, so long as any shares of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock 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 A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock, voting together as a single class:

(a) sell, convey or otherwise dispose of or encumber 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 more than fifty percent (50%) of its voting power of the corporation is disposed of;

(b) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Common Stock, Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, or create any new series or class having rights, privileges or preferences senior to or pari passu with the Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock;

(c) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of 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 the Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares at cost or at cost upon the occurrence of certain events, such as the termination of employment;

(d) amend the Amended and Restated Certificate of Incorporation or bylaws of the corporation so as to affect adversely the Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock; or

(e) change the authorized number of directors of the corporation.

8. Redemption.

(a) The Series A Preferred Stock is not redeemable;

(b) The Series B Preferred Stock and Series B-1 Preferred Stock are redeemable as follows:

(i) If at any time on or after October 27, 2009, holders of at least a majority of the Series B Preferred Stock and Series B-1 Preferred Stock, voting together as a single class on an as-converted to Common Stock basis, deliver written notice to the Corporation (a "Redemption Request"), requesting the redemption of the shares of Series B Preferred Stock or Series B-1 Preferred Stock, the Corporation shall redeem fifty percent (50%) of the shares of Series B Preferred Stock and Series B-1 Preferred Stock then outstanding at a redemption price per share equal to the Series B Liquidation Preference or Series B-1 Liquidation Preference, as may be applicable (the "First Redemption Payment"). The Corporation shall, within ten (10) days following its receipt of the Redemption Request, deliver to the requesting holder(s) of the Series B Preferred Stock and Series B-1 Preferred Stock, and all other holders of Series B Preferred Stock and Series B-1 Preferred Stock, a notice specifying the date on which the First Redemption Payment shall be made, which date shall not be more than thirty (30)

days thereafter. In addition, the Corporation shall redeem the remaining fifty percent (50%) of the shares of Series B Preferred Stock and Series B-1 Preferred Stock each month thereafter in an amount equal to 1/36 of the then outstanding shares of Series B Preferred Stock and Series B-1 Preferred Stock at a redemption price per share equal to the Series B Liquidation Preference or the Series B-1 Liquidation Preference, as may be applicable (the "Remaining Redemption Payments"). Any date so designated for redemption is herein referred to as a "Redemption Date."

(ii) In the event that for any reason, including without limitation a prohibition under applicable law, the Corporation is prohibited from redeeming or is otherwise unable to redeem all shares of the Series B Preferred Stock or Series B-1 Preferred Stock on a Redemption Date, the Corporation shall redeem as many shares as it is legally possible to do, ratably among the holders thereof based upon the aggregate redemption prices of the respective holdings of such shares, and, upon five (5) days written notice thereof, the Corporation shall (unless such shares have been converted) thereafter redeem such shares on the earliest date(s) on which the Corporation is no longer so prohibited from redeeming or unable to redeem all remaining shares.

(iii) Simultaneously with its receipt of the cash payment for the shares of Series B Preferred Stock and Series B-1 Preferred Stock redeemed on a Redemption Date, each holder of Series B Preferred Stock and Series B-1 Preferred Stock shall deliver to the Corporation or its agent the certificates representing the shares to be redeemed duly endorsed or assigned either to the Corporation in blank; provided, however, that upon the payment by the Corporation for the shares of Series B Preferred Stock and Series B-1 Preferred Stock redeemed on a Redemption Date, all rights in respect of the shares of Series B Preferred Stock and Series B-1 Preferred Stock to be redeemed shall cease and terminate, and such shares shall no longer be deemed to be outstanding, whether or not the certificates representing such shares have been received by the Corporation.

(iv) Once redeemed pursuant to the provisions of this Section 8(b), each such redeemed share of Series B Preferred Stock and Series B-1 Preferred Stock shall be canceled and not subject to reissuance as Series B Preferred Stock and Series B-1 Preferred Stock and each such redeemed share shall, without any action on the part of the Corporation or the shareholders of the Corporation, revert to the status of unclassified Preferred Stock.

9. Status of Converted Stock.

In the event any shares of Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock shall be converted pursuant to Section 3 above, the shares so converted shall be cancelled and shall not be issuable by the

corporation. The Amended and Restated Certificate of Incorporation of the corporation shall be appropriately amended to effect the corresponding reduction in the authorized capital stock of the corporation.

10. Repurchase of Shares.

During such time or times that the corporation is subject to Section 2115(b) of the CGCL, in connection with repurchases by the corporation of its Common Stock pursuant to agreement with certain of the holders thereof, Section 502 and Section 503 of the CGCL shall not apply in whole or in part with respect to such repurchases.

A. Common Stock.

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights.

Upon the liquidation, dissolution or winding up of the corporation, the assets of the corporation shall be distributed as provided in Article IV, Section B.2 above.

3. Redemption.

The Common Stock is not redeemable.

4. Voting Rights.

The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any stockholders meeting in accordance with the bylaws of the corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

ARTICLE V.

Except as otherwise provided herein, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the corporation is expressly authorized to make, repeal, alter, amend and rescind any or all of the bylaws of the corporation, but the stockholders may make additional

bylaws and may repeal, alter, amend or rescind any bylaw whether adopted by them or otherwise.

ARTICLE VI.

The number of directors of the corporation shall be fixed from time to time by, or in the manner provided in, the bylaws or amendment thereof duly adopted by the Board of Directors or by the stockholders.

ARTICLE VII.

Elections of directors need not be by written ballot except and to the extent provided in the bylaws of the corporation.

ARTICLE VIII.

Meetings of the stockholders may be held within or without the State of Delaware, as the bylaws may provide. The books of the corporation may be kept (subject to any provisions contained in applicable states) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the corporation.

ARTICLE IX.

Directors and officers of the corporation shall, to the fullest extent permitted by the Delaware General Corporation Law as it now exists or as it may hereafter be amended, not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability (i) for any breach of duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director or officer derived any improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this section to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the personal liability of directors or officers of the corporation shall be further eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law. Any repeal or modification of the foregoing provisions by the stockholders of the corporation, or the adoption of any provision hereof inconsistent with this Article IX, shall not adversely affect any right or protection of directors or officers of the corporation existing at the time of such repeal or modification. During such time or times that the corporation is subject to Section 2115(b) of the CGCL, the liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

ARTICLE X.

Each person who is or was a director or officer of the corporation (including the heirs, executors, administrators or estate of such person) shall be indemnified by the corporation as of right to the fullest extent permitted or authorized by the Delaware General Corporation Law against any liability, cost or expense asserted against such director or officer and incurred by such director or officer in any such person's capacity as a director or officer, or arising out of any such person's status as a director or officer. The corporation may, but shall not be obligated to, maintain insurance, at its expense, to protect itself and any such person against any such liability, cost or expense. During such time or times that the corporation is subject to Section 2115(b) of the CGCL, this corporation is authorized to provide indemnification of agents (as defined in Section 317 of the CGCL) through bylaw provisions, agreements with the agents, vote of stockholders or disinterested directors or otherwise in excess of the indemnification otherwise permitted by Section 317 of the CGCL, subject only to applicable limits set forth in Section 204 of the CGCL with respect to actions for breach of duty to the corporation and its stockholders.

ARTICLE XI.

The corporation shall not be subject to the provisions of Section 203 of the Delaware General Corporation Law.

ARTICLE XII.

The corporation reserves the right to amend, alter, change or repeal any provision contained herein in the manner now or hereafter prescribed by statute and all rights conferred upon stockholders, directors and officers of the corporation herein are granted subject to such revision.

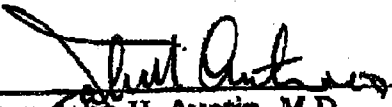
ARTICLE XIII.

In the event that a director of the Corporation who is also a partner or employee of a holder of Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Common Stock or an entity affiliated with a holder of Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Common Stock (including a management company providing investment or other management services to a holder of Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Common Stock), or who is a person designated by a holder of Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Common Stock under any stockholders agreement to be a director of the Corporation, acquires knowledge of a matter which may be a

corporate opportunity for both the Corporation and such holder of Series A Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock or Common Stock, such person shall to the fullest extent permitted by law be considered to have fully satisfied and fulfilled his or her fiduciary duty with respect to such corporate opportunity, and the Corporation to the fullest extent permitted by law waives any claim that such matter constituted a corporate opportunity that should have been presented to or reserved for the benefit of the Corporation, if such opportunity was not expressly offered to such person solely in his or her capacity as a director of the Corporation with the explicit condition that such opportunity was intended for the exclusive benefit of the Corporation.

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IN WITNESS WHEREOF, the undersigned, being the president of
Arcadian Management Services, Inc., do make this certificate, hereby declaring
and certifying that this is my act and deed and the facts herein stated are true,
and accordingly have hereunto set my hand this 26th day of October, 2004.


Name: John H. Austin, M.D.
Title: President