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**RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
ALLEN TECHNOLOGIES, INC.**

RTV
FILED
in the office of the Secretary of State
of the State of California

DEC 30 2004

Kevin Shelley
KEVIN SHELLEY, Secretary of State

The undersigned, Derek A. Forman and Barbara A. Greytak, do hereby certify as follows:

1. They are the Chairman of the Board and Secretary, respectively, of Allen Technologies, Inc., a California corporation (this or the "Corporation").
2. The Articles of Incorporation of this Corporation are amended and restated in their entirety to read as follows:

"I

The name of this Corporation is Allen Technologies, Inc.

II

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

III

This Corporation is authorized to issue two classes of shares of stock, to be designated Common Stock and Preferred Stock, respectively. This Corporation is authorized to issue Ten Million (10,000,000) shares of Common Stock and One Million Five Hundred Forty-Nine Thousand Seven Hundred Seventy-Five (1,549,775) shares of Preferred Stock, all of which shall be designated "Series A Convertible Preferred Stock" (also referred to as "Series A Stock" or "Series A Preferred Stock").

The rights, preferences, privileges and restrictions of the Common Stock and Series A Stock and of the holders thereof shall be as follows:

(a) DIVIDENDS.

(1) Series A Stock-Right to Dividends. Each holder of outstanding shares of Series A Stock shall be entitled to receive, when and if declared by the Board of Directors but only out of any assets legally available therefor, non-cumulative dividends in cash in an amount equal to 5.0% of the per share Issuance Price per annum (the "Preferential Dividend"), payable in

any given fiscal year of this Corporation, in preference to any declaration or payment (payable other than in Common Stock) to the Common Stock. The Issuance Price is \$2.258 (Appropriately Adjusted (as defined in Subsection (a)(4) below)).

(2) **Dividends After Payment of Preferential Dividend.** After the holders of the Series A Stock have been paid their Preferential Dividend in full, then the holders of Series A Stock and Common Stock shall share ratably in any additional dividends during such fiscal year on an as converted basis (i.e., the number of shares of Common Stock which would be outstanding if the Series A Stock were converted to Common Stock). So long as any Series A Stock remains outstanding, no dividend shall be paid to the holders of Common Stock (other than a dividend in shares of Common Stock) without the consent of the holders of a majority of the shares of Series A Preferred Stock then outstanding. Furthermore, no cash dividend may be paid on the Common Stock so long as cash dividends previously or concurrently declared on the Series A Preferred Stock remain unpaid.

(3) **Payment Other Than Cash.** If 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 to purchase any such securities or evidences of indebtedness, then, in each such case, the holders of Series A Preferred Stock shall be entitled to a proportionate share of any such distribution as though the holders of Series A Preferred Stock were the holders of the number of shares of Common Stock of the Corporation into which their respective shares of Series A Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation who are entitled to receive such distribution.

(4) **Dividend Adjustment.** The Preferential Dividend amount shall be appropriately adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series A Preferred Stock ("Appropriately Adjusted").

(b) **PREFERENCE ON LIQUIDATION.**

(1) **Preference Price.** In the event of a liquidation, dissolution or winding up of this Corporation, whether voluntary or involuntary (a "Liquidation"), the holders of the outstanding shares of Series A Stock shall simultaneously be entitled to be paid out of the assets of this Corporation available for distribution to its shareholders, whether from capital, surplus funds or earnings, before any payment is made in respect of the shares of Common Stock or other equity security of this Corporation of a lesser priority than the Series A Stock, an amount equal to (i) the Issuance Price per share of the Series A Stock together with an amount equal to the greater of (A) five percent (5.0%) of the Issuance Price compounded annually at the rate of 5.0%, for each year (or fraction thereof) after the date on which this Restated and Amended Articles of Incorporation is filed with the California Secretary of State (the "Filing Date") not to exceed five (5) years following the Filing Date, less the amount, if any, of any dividends actually paid to the Series A Stock through the date of Liquidation, or (B) any declared and unpaid dividends thereon (the "Liquidation Preference Price"). After payment of the Liquidation

Preference Price to the holders of the Series A Stock, the remaining assets of the Corporation shall be distributed to the holders of shares of Common Stock and Series A Preferred Stock in an equal amount per share as if all Series A Preferred Stock had been converted into Common Stock as of the date of the Liquidation; provided, however, that the holders of Series A Stock shall not receive Liquidation proceeds in the aggregate in excess of thirty percent (30%) of all such proceeds distributed to all shareholders of the Company so long as they have received no less than the Liquidation Preference Price.

(2) **Partial Payment.** If, upon Liquidation, the assets of this Corporation available for distribution to its shareholders shall be insufficient to pay the full Liquidation Preference Price required to be paid to the holders of the outstanding shares of Series A Stock, then all of the assets of this Corporation legally available for distribution to the holders of equity securities shall be distributed ratably among the holders of the outstanding shares of Series A Stock until payment in full of the Liquidation Preference Price.

(3) **Certain Transactions.** At any time, in the event of the merger or consolidation of the Corporation into or with another corporation or the merger or consolidation of any other corporation into or with the Corporation or a plan of exchange between the Corporation and any other corporation (in which consolidation or merger or plan of exchange any shareholders of the Corporation receive distributions of cash or securities or other property) (other than any merger, consolidation or plan of exchange in which the shareholders of the Corporation immediately prior to such merger, consolidation or plan of exchange beneficially own a majority of the voting shares of the surviving corporation immediately following such transaction), or the sale, transfer or other disposition of all or substantially all of the assets of the Corporation (other than pursuant to a reincorporation of the Corporation in another jurisdiction), or the sale by the Corporation or any third-party in a transaction or series of related transactions disposing of more than 50% of the voting power of the Corporation then, subject to the provisions of this paragraph, such transaction shall be deemed, solely for purposes of determining the amounts to be received by the holders of the Series A Stock in such merger, consolidation, plan of exchange, sale, transfer or other disposition, and for purposes of determining the priority of receipt of such amounts as between the holders of the Series A Stock and the holders of the Common Stock, to be a Liquidation if the holders of a majority of the outstanding shares of Series A Stock so elect by giving written notice thereof to the Corporation at least 15 days before the effective date of such transaction. If no such notice is given, the provisions of Subsection (d)(7) below shall apply where applicable. The Corporation shall give each holder of Series A Stock written notice of such impending transaction not later than 30 days prior to the shareholders' meeting of the Corporation called to approve such transaction, or 30 days prior to the closing of such transaction, whichever event 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 transaction and of this Subsection (b)(3) including, without limiting the generality of the foregoing, a description of the value of the consideration, if any, being offered to the holders of the Series A Stock in the transaction and the amount to which such holders would be entitled if such transaction were (as described above) to be deemed to be a Liquidation), and the Corporation shall thereafter give such holders prompt

written notice of any material changes to such terms and conditions. The transaction shall in no event take place sooner than 30 days after the mailing by the Corporation of the first notice provided for herein or sooner than 30 days after the mailing by the Corporation of any notice of material changes provided for herein; provided, however, that any time periods under this Subsection (b)(3) may be reduced upon the written consent of the holders of a majority of the Series A Stock shares then outstanding.

Nothing herein above set forth shall effect in any way the right of each holder of shares of Series A Stock to convert such shares at any time and from time to time in accordance with Section (d) below.

(4) Appraisal/Valuation. Any securities and other assets to be delivered to the holders of the Series A Stock and/or Common Stock pursuant to this Section (b) shall be valued as follows:

(i) Securities not subject to investment letter or other similar restrictions on free marketability:

(A) If traded on a securities exchange or the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the 30-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 30-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 investment letter or other restrictions on free marketability shall be to make an appropriate discount from the market value determined as above in Clause (i)(A)(B) or (C) to reflect the approximate fair market value thereof, as determined in good faith by the Board.

(iii) If any of the assets of the Corporation other than securities or cash are to be distributed under this Section (b), then the value shall be the fair market value thereof, as determined in good faith by the Board of Directors.

(5) Liquidation Adjustment. The liquidation amounts set forth in this Section (b) shall be Appropriately Adjusted.

(c) VOTING.

(1) **Generally.** Except as otherwise required by law or expressly provided herein, each share of Series A Preferred Stock shall be entitled to vote on all matters submitted or required to be submitted to a vote of the shareholders of the Corporation and shall be entitled to the number of votes equal to the number of full shares of Common Stock into which such shares of Series A Preferred Stock are convertible pursuant to the provisions hereof, at the record date for the determination of shareholders entitled to vote on such matters or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited. In each such case, except as otherwise required by law or expressly provided herein, the holders of shares of Series A Preferred Stock and Common Stock shall vote together and not as separate classes. Each holder of Common Stock shall have the right to one vote per share of Common Stock, shall be entitled to notice of any shareholders' 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.

(2) **Special Voting Rights for the Election of Directors.** Each time the shareholders of the Corporation meet, or act by written consent in lieu of a meeting, for the purpose of electing Directors, the holders of the Series A Preferred Stock shall be entitled, voting as a separate class, to elect two, and only two, members of the Corporation's Board of Directors and the holders of the Common Stock shall be entitled, voting as a separate class, to elect three, and only three, members of the Corporation's Board of Directors. Notwithstanding the foregoing:

(i) Subject to Clause (iii) below, upon the earlier to occur of (A) the death of Derek Forman, (B) Derek Forman's termination of employment with the Corporation for any reason, (C) Derek Forman's inability, as a result of a physical or mental impairment or a combination of both, to substantially perform his material duties as an employee of the Corporation for a consecutive period of three months (such determination to be made in good faith by the Board of Directors, and taking into consideration any determinations made by Mr. Forman's attending physician), and (D) during any calendar year commencing as of January 1, 2006, the Corporation fails to achieve at least \$1,800,000 of EBITDA as of the end of such calendar year calculated according to GAAP as determined by the Corporation's auditors no later than ninety (90) days after the end of such calendar year, then at all times thereafter that the shareholders of the Corporation meet, or act by written consent in lieu of a meeting, for the purpose of electing Directors, the holders of the Series A Preferred Stock shall be entitled, voting as a separate class, to elect three, and only three, members of the Corporation's Board of Directors and the holders of the Common Stock shall be entitled, voting as a separate class, to elect two, and only two, members of the Corporation's Board of Directors; provided, however, that in the event of the Board shift contemplated by this Clause (i), the Corporation shall use commercially reasonable efforts to release Derek Forman and his spouse from any and all guarantees of obligations of the Corporation which either has given, and from any associated liabilities; provided, further, that in the event the Board shift contemplated by Subclause (B) of this Clause (i) is the result of the termination of Derek Forman's employment with the Corporation without "cause" (as such term or similar concept is defined in any employment agreement between Mr. Forman and the Corporation), no such Board shift shall take effect until

such time as Derek Forman and his spouse have been released from any and all guarantees of obligations of the Corporation which either has given (including prior liabilities accrued under such guarantees), and from any associated liabilities.

(ii) Subject to Clauses (i) above and (iii) below, which provisions shall take precedence over the provisions in this Clause (ii), if less than 50% of the originally issued shares of Series A Preferred Stock are outstanding (as Appropriately Adjusted), then at all times thereafter that the shareholders of the Corporation meet, or act by written consent in lieu of a meeting, for the purpose of electing Directors, the holders of the Series A Preferred Stock shall be entitled, voting as a separate class, to elect one, and only one, member of the Corporation's Board of Directors, and the holders of the Common Stock shall be entitled, voting as a separate class, to elect four, and only four, members of the Corporation's Board of Directors.

(iii) If less than 25% of the originally issued shares of Series A Preferred Stock are outstanding (as Appropriately Adjusted), then at all times thereafter that the shareholders of the Corporation meet, or act by written consent in lieu of a meeting, for the purpose of electing Directors, the holders of the Series A Preferred Stock and Common Stock shall be entitled, voting together as a single class, to elect all five members of the Corporation's Board of Directors.

(3) **Removals or Resignations.** Any vacancy created on the Corporation's Board of Directors shall be filled by a successor Director who shall be elected in a manner by which his or her predecessor was elected as provided above. Any Director who has been elected to the Corporation's Board of Directors as provided above may be removed during his term of office in accordance with the California Corporations Code, and any vacancy thereby created shall be filled as provided in this Subsection (c)(3).

(4) **Number of Directors.** The authorized number of directors of this Corporation shall be five (5). The above authorized number of Directors shall not otherwise be changed without the consent of the holders of a majority of each class of the outstanding Stock (Preferred and Common), each voting as a separate class.

(d) **CONVERSION.** The holders of the outstanding shares of Series A Stock shall have the following conversion rights:

(1) **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 shares, at the principal office of the Corporation or any transfer agent for the Corporation's shares, without payment of additional consideration by the holder and into that number of fully paid and nonassessable shares of Common Stock which is equal to the quotient obtained by dividing the Issuance Price (Appropriately Adjusted) by the Series A Conversion Price (as such term is hereinafter defined), determined as provided below, in effect on the applicable determination date. The conversion price (the "Series A Conversion Price") at which shares of

Common Stock will be deliverable upon the conversion of a share of Series A Stock without the payment of additional consideration by the holder thereof shall initially be the Issuance Price; provided, however, that the Series A Conversion Price shall be subject to adjustment from time to time as herein provided.

(2) **Mechanics of Conversion.** Each holder of outstanding shares of Series A Stock who desires to convert the same into shares of Common Stock shall surrender the certificate or certificates therefor, duly endorsed, at the principal office of this Corporation or of any transfer agent for the Corporation's shares and shall give written notice to this Corporation at such office that such holder elects to convert the same and shall state therein the number of shares of Series A Stock being converted. Thereupon, this Corporation shall issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled and shall promptly pay all declared but unpaid dividends on the shares being converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the shares to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date. Notwithstanding the foregoing, if the conversion is in connection with a Liquidation, Qualified IPO (as defined in Subsection (d)(11)(i) below) or the public registration of the Corporation's securities under the Securities Act of 1933, as amended (the "Securities Act"), the conversion may, at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing of such transaction or series of related transactions, in which event the person(s) entitled to receive the Common Stock issuable upon conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the final closing of such transaction or series of transactions.

(3) **Adjustment for Stock Splits and Combinations.** If this Corporation at any time or from time to time after the Filing Date effects a division of the outstanding shares of Common Stock, the Series A Conversion Price shall be proportionately decreased and, conversely, if this Corporation at any time, or from time to time, after the Filing Date combines the outstanding shares of Common Stock, the Series A Conversion Price shall be proportionately increased. Any adjustment under this Subsection (d)(3) shall be effective on the close of business on the date such division or combination becomes effective.

(4) **Adjustment for Certain Dividends and Distributions.** If this Corporation at any time or from time to time after the Filing Date pays or fixes a record date for the determination of holders of shares of Common Stock entitled to receive a dividend or other distribution in the form of shares of Common Stock, or rights or options for the purchase of, or securities convertible into, Common Stock, then in each such event the Series A Conversion Price shall be decreased, as of the time of such payment or, in the event a record date is fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price by a fraction (i) the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to the time of such payment or the close of business on such

record date and (ii) the denominator of which shall be (A) the total number of shares of Common Stock outstanding immediately prior to the time of such payment or the close of business on such record date plus (B) the number of shares of Common Stock issuable in payment of such dividend or distribution or upon exercise of such option or right of conversion; provided, however, that if a record date is fixed and such dividend is not fully paid or such other distribution is not fully made on the date fixed therefor, the Series A Conversion Price shall not be decreased as of the close of business on such record date as hereinabove provided as to the portion not fully paid or distributed and thereafter the Series A Conversion Price shall be decreased pursuant to this Subsection (d)(4) as of the date or dates of actual payment of such dividend or distribution.

(5) **Adjustments for Other Dividends and Distributions.** If this Corporation at any time or from time to time after the Filing Date pays, or fixes a record date for the determination of holders of shares of Common Stock entitled to receive, a dividend or other distribution in the form of securities of this Corporation other than shares of Common Stock or rights or options for the purchase of, or securities convertible into, Common Stock, then in each such event provision shall be made so that the holders of the outstanding shares of Series A Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of this Corporation which they would have received had their respective shares of Series A Stock been converted into shares of Common Stock on the date of such event and had such holders thereafter, from the date of such event to and including the actual date of conversion of their shares, retained such securities, subject to all other adjustments called for during such period under this Section (d) with respect to the rights of the holders of the outstanding shares of Series A Stock.

(6) **Adjustment for Reclassification, Exchange and Substitution.** If, at any time or from time to time after the Filing Date, the number of shares of Common Stock issuable upon conversion of the shares of Series A Stock is changed into the same or a different number of shares of any other class or classes of stock or other securities, whether by recapitalization, reclassification or otherwise (other than a recapitalization, division or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section (d)), then, in any such event, each holder of outstanding shares of Series A Stock shall have the right thereafter to convert such shares of Series A Stock into the same kind and amount of stock and other securities receivable upon such recapitalization, reclassification or other change, as the maximum number of shares of Common Stock into which such shares of Series A Stock could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein.

(7) **Reorganizations, Mergers, Consolidations or Sales of Assets.** If, at any time or from time to time after the Filing Date, there is a capital reorganization of the Common Stock (other than a recapitalization, division, combination, reclassification or exchange of shares provided for elsewhere in this Section (d)) or a merger or consolidation of this Corporation into or with another corporation or a sale of all or substantially all of this Corporation's properties and assets to any other person (other than a merger or consolidation or sale which is deemed a

Liquidation pursuant to Subsection (b)(3)), then, as a part of such capital reorganization, merger, consolidation or sale, provision shall be made so that the holders of the outstanding shares of Series A Stock shall thereafter receive upon conversion thereof the number of shares of stock or other securities or property of this Corporation, or of the successor corporation resulting from such merger or consolidation or sale, to which a holder of the number of shares of Common Stock into which their shares of Series A Stock were convertible would have been entitled on such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section (d) with respect to the rights of the holders of the outstanding shares of Series A Stock after the capital reorganization, merger, consolidation, or sale to the end that the provisions of this Section (d) (including adjustment of the Series A Conversion Price and the number of shares into which the shares of Series A Stock may be converted) shall be applicable after that event and be as nearly equivalent to such Conversion Price and number of shares as may be practicable.

(8) Sale of Shares Below Conversion Price/EBITDA Adjustment.

(i) If, at any time or from time to time after the Filing Date, this Corporation issues, or is deemed by the express provisions of this Subsection (d)(8) to have issued, Additional Shares of Common Stock (as defined in Clause (iv) below) for consideration per share less than the Series A Conversion Price in effect on the date of and immediately prior to such issuance, then the Series A Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying the Series A Conversion Price then in effect, 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 which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at the Series A Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of such Additional Shares of Common Stock so issued. For the purpose of the above calculation, the number of shares of Common Stock outstanding immediately prior to such issuance shall be calculated on a fully diluted basis, as if all Convertible Securities (as defined below) had been fully converted into shares of Common Stock and any outstanding Options (as defined below) bearing an exercise price which is lower than the price at which the Additional Shares of Common Stock were issued had been fully exercised (and the resulting securities fully converted into shares of Common Stock, if so convertible) as of such date. "Convertible Securities" means any evidences of indebtedness, shares (other than Common Stock) or other securities convertible into or exchangeable for Common Stock, and "Options" means rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities.

(ii) For the purpose of making any adjustment required under this Subsection (d)(8), the consideration received by this Corporation for any issuance of securities shall (A) to the extent it consists of property other than cash, be the fair value of that property as reasonably determined in accordance with the procedures set forth in Subsection (b)(4)(iii) above

in the event of a Liquidation; and (B) if Additional Shares of Common Stock, Convertible Securities or Options are issued together with other stock or securities or other assets of this Corporation for a consideration which covers both, be the portion of the consideration so received reasonably determined by the Board of Directors to be allocable to such Additional Shares of Common Stock, Convertible Securities or Options. Where the Corporation receives no consideration per share, the Corporation shall nonetheless be deemed to have received consideration of \$0.0001 per share for purposes of the adjustments required under this Subsection (d)(8).

(iii) For the purpose of the adjustment required under this Subsection (d)(8), if this Corporation issues any Convertible Securities or Options (other than Options to purchase Convertible Securities), this Corporation shall be deemed to have issued, at the time of the issuance of such Convertible Securities or Options, Additional Shares of Common Stock equal to the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion of such Convertible Securities or Options and to have received as consideration therefor an amount equal to (A) the total amount of the consideration, if any, received by this Corporation for the issuance of such Convertible Securities or Options plus (B) in the case of Options, the minimum amount of consideration, if any, payable to this Corporation upon the exercise thereof or, in the case of Convertible Securities, the minimum amount of consideration, if any, payable to this Corporation upon the conversion thereof. Thereafter, no further adjustment of the Series A Conversion Price shall be made as a result of the actual issuance of Additional Shares of Common Stock on the exercise of any such Options or the conversion of any such Convertible Securities. If any such Options or the conversion privilege represented by any such Convertible Securities shall expire or otherwise terminate without having been exercised, the Series A Conversion Price shall thereafter be the Series A Conversion Price which would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued on the exercise of such Options or rights of conversion of such Convertible Securities, and were issued for the consideration actually received by this Corporation upon such exercise plus (A) the consideration, if any, actually received for the granting of all such Options whether or not exercised, (B) the consideration, if any, actually received by issuing the Convertible Securities actually converted and (C) the consideration, if any, actually received on the conversion of such Convertible Securities. However, if any such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Corporation, upon the exercise, conversion or exchange thereof, the Series A Conversion Price, 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.

(iv) For the purpose of the adjustment required under this Subsection (d)(8), if this Corporation issues any Options to purchase Convertible Securities, this Corporation shall be deemed to have issued, at the time of the issuance of such Options, Additional Shares of Common Stock equal to the number of shares of Common Stock issuable upon conversion of the

total number of Convertible Securities covered by such Options (as set forth in the legal instruments setting forth the terms of such Convertible Securities) and to have received as consideration therefor an amount equal to the amount of consideration, if any, received for the issuance of such Options plus (A) the minimum amount of consideration, if any, payable upon the exercise of such Options and (B) the minimum amount of consideration, if any, payable upon the conversion of such Convertible Securities. No further adjustment of the Series A Conversion Price shall be made as a result of the actual issuance of the Convertible Securities upon the exercise of such Options or upon the actual issuance of shares of Common Stock upon the conversion of such Convertible Securities. The provisions of Subsection (d)(8)(iii) for the adjustment of the Series A Conversion Price upon the expiration of Options or the rights of conversion of Convertible Securities shall apply mutatis mutandis upon the expiration of the Options and Convertible Securities referred to in this Clause (iv).

(v) For purposes of this Subsection (d)(8), "Additional Shares of Common Stock" shall mean all shares of Common Stock issued or deemed to be issued under this Subsection (d)(8) after the Filing Date. However, the following securities (including, where such securities are Options or Convertible Securities, Common Stock that may be purchased upon exercise or conversion thereof) shall not be "Additional Shares of Common Stock:" (A) any securities issued pursuant to an adjustment required to be made pursuant to Subsection (d)(3), (d)(4), (d)(5), (d)(6) or (d)(7); (B) any Options heretofore or hereafter granted under the Corporation's 1998 Stock Incentive Plan (provided that such Options hereafter granted are approved by the Board of Directors) or any Options hereafter granted under any other stock option plan of the Corporation hereafter approved by the Board of Directors; (C) the warrants issued as part of the Series A Transactions (as defined below); (D) securities issued in connection with bona fide, arms' length bank financings, corporate partnering transactions or equipment leases approved by the Board of Directors; (E) securities issued pursuant to a transaction, or series or related transactions, approved by the Board of Directors in which the Corporation acquires all or substantially all of the assets of another entity or more than fifty percent (50%) or of the voting power or equity ownership of another entity; (F) shares of Common Stock issued upon conversion of the shares of Series A Stock; (G) securities issued pursuant to the terms of that certain Agreement dated August 14, 2003, by and between the Corporation and Carousel Leasing Co., LLC; or (H) securities offered by the Corporation to the public pursuant to a Qualified IPO. The "Series A Transactions" mean the transactions referred to in the Series A Preferred Stock Purchase Agreement entered into on or about the date hereof between the Corporation and Fundamental Capital ATI Investors, LLC or in the Note and Warrant Purchase Agreement entered into on or about the date hereof between the Corporation and GCG CBIC Investors, LP.

(vi) In addition to any other adjustments to the Series A Conversion Price hereunder:

(A) if the Corporation's cumulative EBITDA determined in accordance with GAAP by the Corporation's auditors for the thirty-six month (36) period commencing July 1, 2005 and ending on June 30, 2008 is within the ranges set forth below, the Series A Conversion Price effective as of July 1, 2008 shall be the lesser of the Series A

Conversion Price in effect immediately prior to July 1, 2008 and the Series A Conversion Prices indicated below (Appropriately Adjusted), but only with respect to shares of Series A Preferred Stock outstanding on June 30, 2008:

Cumulative Three (3) Year EBITDA

(July 1, 2005 through June 30, 2008)

	Series A Conversion Price
Less than \$13,500,000	\$1.718
\$13,500,000 to less than \$14,200,000	\$1.960
\$14,200,000 to less than \$14,800,000	\$2.258

(B) if the Corporation's cumulative EBITDA determined in accordance with GAAP by the Corporation's auditors for the thirty-six month (36) period commencing July 1, 2005 and ending on June 30, 2008 is within the ranges set forth below, the Series A Conversion Price effective as of July 1, 2008 shall be the Series A Conversion Prices indicated below (Appropriately Adjusted), but only with respect to shares of Series A Preferred Stock outstanding on June 30, 2008:

Cumulative Three (3) Year EBITDA

(July 1, 2005 through June 30, 2008)

	Series A Conversion Price
\$14,800,000 to less than \$15,500,000	\$2.398
\$15,500,000 to less than \$16,200,000	\$2.551
\$16,200,000 to less than \$17,000,000	\$2.721
\$17,000,000 to less than \$17,800,000	\$2.910
\$17,800,000 and above	\$3.122

Notwithstanding the foregoing Clauses (A) and (B), if the Corporation's cumulative EBITDA determined in the same manner as above for the forty-eight (48) month period from July 1, 2005 through June 30, 2009 is \$29,000,000 or greater, the Series A Conversion Price effective as of July 1, 2009 shall be \$3.122 (Appropriately Adjusted), but only with respect to shares of Series A Preferred Stock outstanding on June 30, 2009.

(9) **Certificate of Adjustment.** Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price, the Corporation, at its sole expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Stock a certificate signed by the CEO and CFO of the Corporation 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 Stock furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Series A 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 Series A Stock.

(10) Notices of Record Date. In the event of (i) any taking by this 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 or other distribution or (ii) any capital reorganization of this Corporation, any reclassification or recapitalization of the capital stock of this Corporation, any merger or consolidation of this Corporation with or into any other corporation, or any transfer of all or substantially all of the assets of the Corporation, or any voluntary or involuntary dissolution, liquidation or winding up of this Corporation, this Corporation shall mail to each holder of shares of Series A Stock at least fifteen (15) days prior to the record date specified therein, a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution; (ii) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up is expected to become effective and the specific details thereof; and (iii) the date, if any, that is to be fixed as to when the holders of shares of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up.

(11) Automatic Conversion.

(i) Provided all declared and unpaid dividends have been paid or will be paid as provided in Clause (11)(ii) below, each share of Series A Stock shall automatically be converted into shares of Common Stock based upon the Series A Conversion Price then in effect upon the earlier of (i) the date specified by written consent of holders of no less than a majority of the shares of Series A Stock then outstanding, and (ii) the closing of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the underwritten offering and sale of shares of Common Stock for the account of the Corporation (other than a registration statement effected solely to implement an employee benefit plan, a transaction in which Rule 145 of the Securities and Exchange Commission is applicable or any other form or type of registration in which the shares of Common Stock issuable upon conversion of the shares of Series A Stock cannot be included pursuant to the Securities and Exchange Commission rules or practices) which results in aggregate net cash proceeds to the Corporation of at least \$25,000,000 and at a per share price of at least four times the per share Issuance Price (Appropriately Adjusted) (a "Qualified IPO").

(ii) Upon the occurrence of an event specified in Subsection (11)(i) above, the outstanding shares of Series A Stock shall be converted into outstanding shares of Common Stock, whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent. Upon the automatic conversion of the outstanding shares of Series A Stock, the Corporation shall notify the holders of the outstanding shares of Series A Stock and thereafter such holders shall surrender the certificates representing such shares at the principal office of the Corporation or any transfer agent for the shares. Thereupon there shall be issued and delivered to such holder, promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of

Common Stock into which the surrendered shares of Series A Stock of such holder were convertible on the date on which such automatic conversion occurred, and the Corporation shall promptly pay in cash all declared but unpaid dividends on the shares of Series A Stock so converted.

(12) **Fractional Shares.** No fractional shares of Common Stock shall be issued upon conversion of the shares of Series A Stock. In lieu of any fractional share to which the holder of such shares would otherwise be entitled, the Corporation shall pay cash equal to the product of (i) such fraction multiplied by (ii) the fair market value of one share of the Common Stock on the date of conversion, as determined in good faith by the Board of Directors.

(13) **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 Series A Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Stock. 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 Series A Stock, the Corporation shall take such 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 purpose.

(14) **Notices.** Any notice required by the provisions of this Section (d) to be given to a holder of shares of Series A Stock shall be in writing and, if by personal delivery (including courier or Federal Express), shall be deemed to have been validly served, given or delivered upon actual delivery and if mailed, shall be deemed to have been validly served, given or delivered three (3) business days after deposit in the United States mails, as registered or certified mail, with proper postage prepaid and addressed to the party or parties to be notified, at the addresses appearing on the books of the Corporation (or such other address(es) as a party may designate for itself by like notice) or pursuant to written agreements between the parties.

(15) **No Dilution or Impairment.** The Corporation shall not amend its Articles of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action for the purpose of avoiding or seeking 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 carrying out all such action as may be reasonably necessary or appropriate in order to protect the rights of the holders of the shares of Series A Stock against dilution as contemplated herein (except as otherwise permitted herein) or other impairment of their rights.

(e) **NO RE-ISSUANCE.** No share or shares of Series A Stock acquired by the Corporation by reason of redemption, purchase or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

(f) RESTRICTIONS AND LIMITATIONS.

(i) Series A Protective Covenants. In addition to any other rights provided by law, so long as no less than 25% of the originally issued shares of Series A Preferred Stock are outstanding (as Appropriately Adjusted), the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of the outstanding shares of Series A Preferred Stock:

(A) alter or change the rights, preferences or privileges of the Series A Preferred Stock;

(B) increase the authorized number of shares of Series Preferred A Stock or issue or sell any additional shares of Series A Preferred Stock;

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

(D) create any new class or series of shares;

(E) effect the merger, consolidation or reorganization of the Corporation, sale of all or substantially all of the Corporation's assets or sale of the Corporation's securities in one transaction or a series of related transactions, which, if issued at the same time, would constitute more than 50% of the outstanding securities of the Corporation;

(F) effect any transaction which would result in a dividend to holders of Series A Preferred Stock;

(G) pay dividends (other than in Common Stock) on the Common Stock;

(H) redeem, purchase or otherwise acquire shares of Preferred Stock or Common Stock other than (a) by redemption in accordance with Section (g) below, (b) by conversion in accordance with Section (d) above, (c) in accordance with the Shareholders Agreement entered into in connection with the Series A Transactions, or (d) in accordance with any agreement entered into between the Corporation and any of its Directors, officers, employees or consultants and approved by the Board of Directors;

(I) enter into any agreement or contract that specifically by its terms restricts the Corporation's ability to redeem the Series A Preferred Stock (other than any agreements in effect on the date hereof or entered into in connection with the Series A Transactions, or amendments thereof (provided that such amendments are approved in good faith by the Board of Directors); or

(J) issue any additional equity, Options or Convertible Securities.

(ii) **Additional Protective Covenants.** In addition to any other rights provided by law, during such period, if any, during which the holders of Series A Preferred Stock are entitled, voting as a separate class, to elect three members of the Corporation's Board of Directors, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of a majority of the outstanding shares of Common Stock and Series A Preferred Stock, voting together as a single class on an as-converted to Common Stock basis:

(A) enter into the ownership, active management or operation of any business other than the businesses contemplated by the Corporation immediately prior to such period;

(B) enter into any transactions with, or pay any amounts to, any of the following persons or entities, except as expressly required by these articles of incorporation or by law: (i) an existing or former holder of Series A Stock (a "Holder"); (ii) an affiliate (as such term is defined in the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder) of a Holder; (iii) a shareholder, partner, member, director, officer or employee of a Holder or of any affiliate of a Holder, or (iv) any entity in which any person or entity listed in clause (i), (ii) or (iii) owns, directly or indirectly, any equity interest (other than no more than 5% of a class of stock traded on any national securities exchange or on NASDAQ);

(C) effect the sale of the Corporation's securities in one transaction or a series of related transactions, which, if issued at the same time, would constitute more than 50% of the outstanding securities of the Corporation; or

(D) amend, repeal, alter or waive any provisions of the Bylaws of the Corporation.

(g) **REDEMPTION RIGHTS.**

(1) **Timing.** If the Corporation has not consummated a Qualified IPO prior to the fifth anniversary date of the Filing Date and provided that more than 25% of the originally issued shares of Series A Preferred Stock are then outstanding (as Appropriately Adjusted) and that there has theretofore not occurred a transaction of the type referred to in Subsection (b)(3) which would have constituted a Liquidation had the requested number of holders of Series A Preferred so elected in accordance with such Subsection, then at any time thereafter the holders of more than 50% of the then outstanding shares of Series A Preferred Stock (each such person, a "Series A Requesting Holder") shall have the right to require the Corporation to redeem all or any portion of the shares of Series A Preferred Stock held by such Series A Requesting Holders, subject to the limitations of applicable law on the Corporation's ability to make distributions to stockholders, at a price per share equal to the greater of (A) the Issuance Price (Appropriately Adjusted) together with an amount equal to the greater of (i) five percent (5.0%) of the Issuance Price compounded annually at the rate of 5.0% for each year (or fraction thereof) compounded annually after the Filing Date or (ii) any declared and unpaid dividends thereon and (B) the fair market value per share of Series A Preferred Stock as determined in good faith by the Board of Directors (the "Series A Redemption Price"), upon written notice to the Corporation specifying

the number of shares of Series A Preferred Stock to be redeemed (a "Series A Redemption Notice"). Upon its receipt of a Series A Redemption Notice, the Corporation shall promptly notify each other holder of Series A Preferred Stock in writing of its receipt of such Series A Redemption Notice (the "Corporation Redemption Notice") and of a date for redemption of the shares of Series A Preferred Stock to be redeemed pursuant to this Section (g), which date (the "Series A Redemption Date") shall be not later than 60 days after the date of the Corporation's receipt of the first Series A Redemption Notice. Each such other holder of Series A Preferred Stock shall have the right to require the Corporation to redeem its shares of Series A Preferred Stock, in whole or in part, on the Series A Redemption Date, by delivering a Series A Redemption Notice to the Corporation within 10 days after redemption of the Corporation Redemption Notice. Each holder of Series A Preferred Stock shall continue to have the rights set forth in this Section (g) and the Corporation shall be obligated to redeem shares of Series A Preferred Stock at any time within 60 days following a subsequent delivery of a Series A Redemption Notice to the Corporation after the initial Series A Redemption Date by any remaining holders of Series A Preferred Stock (each date an additional "Series A Redemption Date" and each such holder also a "Series A Requesting Holder").

(2) **Series A Redemption Payment.** On each applicable Series A Redemption Date, the Corporation shall be obligated to pay to each holder of Series A Preferred Stock that has delivered a Series A Redemption Notice to the Corporation (upon surrender by such holder at the Corporation's principal office of the certificate representing the shares of Series A Preferred Stock to be redeemed) an amount in immediately available funds equal to the Series A Redemption Price for the Series A Stock to be redeemed on such Series A Redemption Date. If the funds of the Corporation legally available for redemption of shares of Series A Preferred Stock on the Series A Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock requested to be redeemed on such date, those funds that are legally available will be used to redeem the maximum possible number of such shares. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred Stock, such funds will immediately be used to redeem the balance of the shares that the Corporation shall have become obliged to redeem on the Series A Redemption Date but that it shall not have redeemed. In the event of different Redemption Dates, the Series A Stock subject to the earlier Redemption Dates shall be redeemed in full prior to and redemption of Series A Stock subject to redemption under later Redemption Dates.

(3) **Further Actions.** Upon receipt of a Series A Redemption Notice, the Corporation shall be obligated to use its reasonable commercial efforts to take such actions as may be necessary in order to permit the full and timely redemption of the shares of Series A Preferred Stock entitled to redemption.

(4) **Failure to Redeem.** If the funds of the Corporation legally available for redemption of shares of Series A Stock on any Redemption Date are insufficient to redeem the total number of shares of Series A Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series A Stock. The shares of Series A Stock not redeemed shall remain outstanding and entitled to all the rights

and preferences provided herein. Until all such shares are redeemed, at any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Stock, such funds will immediately be used to redeem as many Series A Stock shares as such funds are available and which the Corporation has become obliged to redeem on any Series A Redemption Date, but which it has not redeemed. If the Corporation fails to redeem any Series A Stock so requested to be redeemed at the appropriate Series A Redemption Date, for so long as the Series A Requesting Holder does not rescind his election to redeem as described in the immediately following sentence, the Series A Redemption Price for each such share shall be increased at the rate of 12% per annum (compounded annually) (the "Deferred Redemption Price") from such Redemption Date through the date the Corporation tendered payment of the Deferred Redemption Price. Upon such failure to redeem, any Series A Requesting Holder may also rescind his election to be redeemed by written notice to the Corporation.

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

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the matters set forth herein are true and correct of his own knowledge.

Derek A. Forman
Derek A. Forman, Chairman of the Board

Barbara A. Greytak
Barbara A. Greytak, Secretary