

05-28-1999

ket No.: TER-002.2P

FORM PTO-1596 (Modified)  
(Rev. 6-93)  
OMB No. 0851-0011 (exp. 4/94)  
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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

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Tab settings

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

1. Name of conveying party(ies):

**TERAYON CORPORATION  
A CALIFORNIA CORPORATION**

Additional names(s) of conveying party(ies)  Yes  No

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

Name: **TERAYON COMMUNICATION SYSTEMS, INC.**

Internal Address: **A DELAWARE CORPORATION**

Street Address: **2952 BUNKER HILL LANE**

City: **SANTA CLARA** State: **CA** ZIP: **95054**

Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

**3-16-99**

- Assignment  Merger
- Security Agreement  Change of Name
- Other

Execution Date: **JULY 7, 1998**

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

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

**TER-002.2P      08/684,243      07/19/96**

B. Patent No.(s)

Additional numbers attached?  Yes  No

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

Name: **Ronald Craig Fish**

Internal Address: **Falk & Fish, llp**

Street Address: **Post Office Box 2258**

**03/18/1999 DNGUYEN 00000312 00684243**

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City: **Morgan Hill** State: **CA** ZIP: **95038**

6. Total number of applications and patents involved: **1**

7. Total fee (37 CFR 3.41):.....\$ **40.00**

- Enclosed - Any excess or insufficiency should be credited or debited to deposit account
- Authorized to be charged to deposit account

8. Deposit account number:

**06-0932**

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NO SREC  
Fee**

DO NOT USE THIS SPACE

9. Statement and signature.

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

**Ilene L. Fish**

Name of Person Signing

Signature

**03/10/99**

Date

**PATENT  
REEL: 9814 FRAME: 0620**

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "TERAYON MERGER CORPORATION", FILED IN THIS OFFICE ON THE TWELFTH DAY OF JUNE, A.D. 1998, AT 9 O'CLOCK A.M.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

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AUTHENTICATION: 9263346

DATE: 08-20-98

PATENT  
REEL: 9814 FRAME: 0621

**CERTIFICATE OF MERGER**

**OF**

**TERAYON COMMUNICATION SYSTEMS**  
a California corporation

**INTO**

**TERAYON MERGER CORPORATION**  
a Delaware corporation

The undersigned corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware does hereby certify that:

1. The name and state of incorporation of each of the constituent corporations of the merger is as follows:

Name	State of Incorporation
Terayon Communication Systems	California
Terayon Merger Corporation	Delaware

2. An Agreement and Plan of Merger dated as of July 6, 1998 (the "Agreement of Merger") between Terayon Communication Systems and Terayon Merger Corporation has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with subsection (c) of Section 252 of the General Corporation Law of the State of Delaware.

3. The name of the surviving corporation is Terayon Merger Corporation. Upon the effectiveness of the filing of this Certificate of Merger, Terayon Merger Corporation will change its name to Terayon Communication Systems, Inc.

4. The certificate of incorporation of Terayon Merger Corporation, a Delaware corporation, the surviving corporation, shall be the Certificate of Incorporation of the surviving corporation.

5. The executed Agreement and Plan of Merger is on file at the principal place of business of the surviving corporation. The address of the principal place of business of the surviving corporation is 2952 Bunker Hill Lane, Santa Clara, California 95054.


6. A copy of the Agreement and Plan of Merger will be furnished by the surviving corporation, on request and without cost, to any stockholder of any constituent corporation.

7. The authorized capital stock of Terayon Merger Corporation consists of (a) 35,000,000 shares of Common Stock, \$0.001 par value per share and (b) 15,000,000 shares of Preferred Stock, \$0.001 par value per share.


IN WITNESS WHEREOF, this Certificate of Merger is hereby executed on behalf of the surviving corporation, Terayon Merger Corporation, and attested to by its officers thereunto duly authorized.

Dated as of July 7, 1998

TERAYON MERGER CORPORATION,  
a Delaware corporation.

By:   
Shlomo Rakib  
President

ATTEST:

By:   
Zaki Rakib  
Secretary

**BOARD RESOLUTIONS REGARDING CHANGE OF CORPORATE NAME**

**WHEREAS**, it is in the best interests of Terayon Corporation (the "Company") to change its name to Terayon Communication Systems;

**NOW, THEREFORE, BE IT RESOLVED**, that the name of the Company be changed to Terayon Communication Systems;

**RESOLVED FURTHER**, that, upon the adoption of the foregoing resolution by the shareholders of the Company, the appropriate officers of the Company are hereby authorized and directed to execute a Certificate of Amendment to the Amended and Restated Articles of Incorporation of the Company to effectuate the change of the Company's name and to file the same with the Secretary of State of the State of California.

**MINUTES OF THE MEETING OF SEPTEMBER 23, 1997**

**OF THE BOARD OF DIRECTORS OF**

**TERAYON CORPORATION**

1. **TIME, PLACE AND NOTICE OF MEETING.** A regular meeting of the Board of Directors of **TERAYON CORPORATION**, a California corporation (the "Company"), was held at 8:30 a.m. on Tuesday, September 23, 1997 at the Company's offices in Santa Clara, California.

2. **ATTENDANCE.** The following Board members were present:

Frank Marshall  
Shlomo Rakib  
Zaki Rakib  
Christopher Schaepe  
Lew Solomon  
Mark Stevens

Others in attendance:

J.C. Sparkman of the Company's Advisory Board  
Gary Law, the Company's Vice President, Marketing and Business Development  
Linda Palmor, the Company's Vice President, Finance  
Dennis Picker, the Company's Vice President, Engineering  
Gershon Shatzberg, the Company's Group Director of Technical Support Services  
Karyn Smith of Cooley Godward LLP, counsel to the Company  
Andrew Kau of Walden Ventures

3. **MEETING CHAIRMAN.** Dr. Zaki Rakib acted as chairman of the meeting and Ms. Smith acted as secretary of the meeting.

4. **MEETING DULY CONVENED.** The chairman announced that a quorum of the Board was present and announced that the meeting was duly convened and ready to proceed with its business.

5. **BUSINESS AND STRATEGY UPDATE.** Dr. Zaki Rakib presented an update of the Company's business strategy. The Board Members asked questions and a full discussion ensued.

6. **PRODUCT DEVELOPMENT UPDATE.** Mr. Picker presented an update of the Company's product development efforts. The Board members asked questions and a full discussion ensued.

7. **SALES AND SUPPORT PLAN UPDATE.** Dr. Zaki Rakib presented an update on the Company's sales and support plan. The Board members asked questions and a full discussion ensued.

8. **MARKETING UPDATE.** Mr. Law presented an update on the Company's marketing efforts and potential strategic relationships. The Board members asked questions and a full discussion ensued.

9. **TECHNICAL SUPPORT AND SERVICES UPDATE.** Mr. Shatzberg presented an update on the Company's technical support and services plan. The Board Members asked questions and a full discussion ensued.

10. **OPERATIONS UPDATE.** Dr. Zaki Rakib presented an update on the Company's manufacturing operations and announced that Avi Caspi was hired, effective as of September 22, 1997, as the Company's new Vice President, Operations. The Board members asked questions and a full discussion ensued.

11. **FINANCING UPDATE.** Linda Palmor presented an update on the closing of the Company's Series D Preferred Stock financing and the status of certain potential strategic investments.

12. **FINANCE UPDATE.** Linda Palmor presented a summary of the Company's August 1997 financial statements.

13. **OPTION GRANTS UNDER THE 1995 STOCK OPTION PLAN AND 1997 EQUITY INCENTIVE PLAN.** The Board next discussed the grant of options to purchase shares of Common Stock of the Company to the individuals listed on Exhibit A attached hereto. Upon motion duly made and seconded, the Board adopted the following resolutions:

**RESOLVED**, that the Board hereby grants incentive stock options to purchase One Thousand (1,000) shares of Common Stock pursuant to the Company's 1995 Stock Option Plan, as amended (the "1995 Plan"), and incentive stock options to purchase an aggregate of One Hundred Thirty Thousand (130,000) shares of Common Stock pursuant to the Company's 1997 Equity Incentive Plan (the "1997 Plan"), to the individuals and in the amounts listed on Exhibit A;

**RESOLVED FURTHER**, that the exercise price of the options shall be one dollar and thirty cents (\$1.30) per share, which the Board hereby determines, after due consideration of all relevant factors, to be the fair market value of the Common Stock on the date hereof;

**RESOLVED FURTHER**, that the right to exercise twenty percent (20%) of the total number of shares granted shall vest on the first anniversary of the Vesting Commencement Date, with the remainder vesting monthly over four years thereafter, such that the option shall be 100% vested on the fifth anniversary of the Vesting Commencement Date;

**RESOLVED FURTHER**, that the foregoing option grants under the 1995 Plan and 1997 Plan shall be made pursuant to the Company's Stock Option Agreement form, as previously approved by the Board, with such changes thereto

as the Chief Executive Officer, in his sole discretion, shall deem necessary or appropriate;

**RESOLVED FURTHER**, that the options granted hereby and the Common Stock issuable upon exercise of the options shall be offered and sold in accordance with applicable state and federal securities laws; and

**RESOLVED FURTHER**, that the officers of the Company be, and each of them hereby is, authorized and directed, for and on behalf of the Company, to execute such additional documents and to take such other action as each may deem necessary or advisable to carry out the purposes of the foregoing resolutions.

**14. SALE OF COMMON STOCK.** The Board next discussed the sale of Ten Thousand (10,000) shares of Common Stock to Avi Caspi, the Company's new Vice President, Operations, at a purchase price of \$1.30 per share and the grant of a put right with respect to such shares to Mr. Caspi. Upon motion duly made and seconded, the Board adopted the following resolutions:

**RESOLVED**, the Board hereby approves the sale of 10,000 shares of Common Stock (the "Shares") to Avi Caspi at a purchase price of one dollar and thirty cents (\$1.30) per share, which the Board has determined to be the fair market value of the Common Stock on the date hereof;

**RESOLVED FURTHER**, that the Board hereby approves the grant to Mr. Caspi of an option to sell to the Company some or all of the Shares (the "Put Right") at a price of \$13.00 per share at any time after September 22, 1998; provided, however, that the Put Right shall terminate on the earlier of (i) the completion of the Company's initial public offering of shares of its Common Stock and (ii) September 21, 2003;

**RESOLVED FURTHER**, that the Shares shall be offered and sold in accordance with all applicable state and federal securities laws; and

**RESOLVED FURTHER**, that the officers of the Company be, and each of them hereby is, authorized and directed, for and on behalf of the Company to take such further action and execute such additional documents as each may deem necessary or appropriate to carry out the foregoing resolutions.

**15. MINUTES OF JULY 22, 1997 MEETING.** The Board next reviewed the minutes of the previous meeting held on July 22, 1997. Upon motion duly made and seconded, the minutes of the Board meeting held on July 22, 1997 were unanimously approved.

**16. CHANGE OF CORPORATE NAME.** The Board then discussed the change of the Company's corporate name. Upon motion duly made and seconded, the Board adopted the following resolutions:

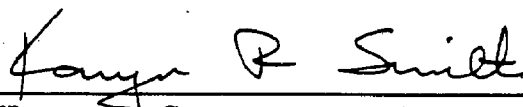


**RESOLVED**, that the name of the Company be changed to Terayon Communication Systems;

**RESOLVED FURTHER**, that, upon the adoption of the foregoing resolution by the shareholders of the Company, the appropriate officers of the Company are hereby authorized and directed to execute a Certificate of Amendment to the Amended and Restated Articles of Incorporation of the Company to effectuate the change of the Company's name and to file the same with the Secretary of the State of California.

17. **ADJOURNMENT.** There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,



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**KARYN R. SMITH**  
**SECRETARY OF THE MEETING**



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**ZAKI RAKIB**  
**CHAIRMAN OF THE MEETING**