

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Record to correct execution date on Recordation Cover (and Notice of Recordation) for Change of Name Document previously recorded at Reel/Frame 018548/0456
CONVEYING PARTY DATA	
Name	Execution Date
Shoreline Teleworks, Inc.	03/15/2000
RECEIVING PARTY DATA	
Name:	Shoreline Communications, Inc.
Street Address:	960 Stewart Drive
City:	Sunnyvale
State/Country:	CALIFORNIA
Postal Code:	94085
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	09766027
CORRESPONDENCE DATA	
Fax Number:	(408)982-8210
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	4089828203
Email:	OMKAR@SVPATENTGROUP.COM
Correspondent Name:	Omkar K. Suryadevara
Address Line 1:	2350 Mission College Blvd, Ste. 360
Address Line 4:	Santa Clara, CALIFORNIA 95054
ATTORNEY DOCKET NUMBER:	SHO008 (RECORD- CORRECT)
NAME OF SUBMITTER:	Omkar K. Suryadevara
Total Attachments: 21 source=RECORD TO CORRECT EXECUTION DATE#page1.tif source=RECORD TO CORRECT EXECUTION DATE#page2.tif source=RECORD TO CORRECT EXECUTION DATE#page3.tif	

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**UNITED STATES PATENT AND TRADEMARK OFFICE**

UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

NOVEMBER 24, 2006

PTAS

**\*500183533A\***

OMKAR K. SURYADEVARA  
2350 MISSION COLLEGE BLVD. STE. 360  
SANTA CLARA, CA 95054

**\*500183533A\***

UNITED STATES PATENT AND TRADEMARK OFFICE  
NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENT

THE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER REFERENCED BELOW.

PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 571-272-3350. PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE, MAIL STOP: ASSIGNMENT SERVICES BRANCH, P.O. BOX 1450, ALEXANDRIA, VA 22313.

RECORDATION DATE: 11/22/2006

REEL/FRAME: 018548/0456

NUMBER OF PAGES: 19

BRIEF: CHANGE OF NAME (SEE DOCUMENT FOR DETAILS).

DOCKET NUMBER: SHO006 US

## ASSIGNOR:

SHORELINE TELEWORKS, INC.

DOC DATE: 03/15/2005

## ASSIGNEE:

SHORELINE COMMUNICATIONS, INC.

960 STEWART DRIVE

SUNNYVALE, CALIFORNIA 94085

SERIAL NUMBER: 09766027

FILING DATE: 01/19/2001

PATENT NUMBER:

ISSUE DATE:

TITLE: VOICE TRAFFIC THROUGH A FIREWALL

018548/0456 PAGE 2

MARY BENTON, EXAMINER  
ASSIGNMENT SERVICES BRANCH  
PUBLIC RECORDS DIVISION

## PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	CHANGE OF NAME
CONVEYING PARTY DATA	
Name	Execution Date
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State/Country:	CALIFORNIA
Postal Code:	94085
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	09766027
CORRESPONDENCE DATA	
Fax Number:	(408)982-8210
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	4089828203
Email:	omkar@svpatentgroup.com
Correspondent Name:	Omkar K. Suryadevara
Address Line 1:	2350 Mission College Blvd. Ste. 360
Address Line 4:	Santa Clara, CALIFORNIA 95054
ATTORNEY DOCKET NUMBER:	SHO006 US
NAME OF SUBMITTER:	Bryan H. Wyman
Total Attachments: 17 source=ChangeOfName_Shoreline_2000#page1.tif source=ChangeOfName_Shoreline_2000#page2.tif source=ChangeOfName_Shoreline_2000#page3.tif source=ChangeOfName_Shoreline_2000#page4.tif source=ChangeOfName_Shoreline_2000#page5.tif	

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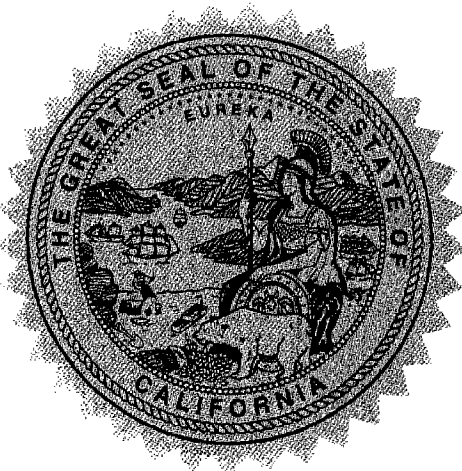
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## SECRETARY OF STATE

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

That the attached transcript of 16 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



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

MAR 21 2000

*Bill Jones*

Secretary of State

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

MAR 16 2000

**SIXTH AMENDED AND RESTATED  
ARTICLES OF INCORPORATION OF  
SHORELINE TELEWORKS, INC.**

BILL JONES, Secretary of State

John R. Fazio and Michael Harrigan hereby certify that:

1. They are the duly elected and acting President and Secretary, respectively, of Shoreline Teleworks, Inc., a California corporation (the "Company").
2. The Company's articles of incorporation are amended and restated to read as follows:

**ARTICLE I**

**NAME**

The name of the Company is Shoreline Communications, Inc. (hereinafter, the "Company").

**ARTICLE II**

**PURPOSES**

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

**ARTICLE III**

**STOCK**

The Company is authorized to issue two classes of shares to be designated, respectively, Preferred Stock ("Preferred") and Common Stock ("Common"). Upon the effective date of the filing of these Amended and Restated Articles of Incorporation ("Restated Articles"), each two shares of outstanding Common shall be split and converted into three (3) outstanding shares of Common. In addition, upon the effective date of the filing of these Restated Articles, each two shares of outstanding Series A Preferred shall be split and converted into three (3) outstanding shares of Series A Preferred; each two shares of outstanding Series B Preferred shall be split and converted into three (3) outstanding shares of Series B Preferred; each two shares of outstanding Series C Preferred shall be split and converted into three (3) outstanding shares of Series C Preferred; each two shares of outstanding Series D Preferred shall be split and converted into three (3) outstanding



shares of Series D Preferred. Any fractional shares that are issuable as a result of the stock split shall be rounded up to the nearest whole share. Upon the effective date of the filing of these Restated Articles, the total number of shares of capital stock of the Company authorized to be issued shall be one hundred forty million (140,000,000) with a par value of \$0.01 per share, the total number of shares of Preferred the Company shall have authority to issue shall be forty million (40,000,000) with a par value of \$0.01 per share, and the total number of shares of Common the Company shall have authority to issue shall be one hundred million (100,000,000).

The Preferred shall be divided into series. The first series of Preferred shall be comprised of five million five hundred fifty thousand (5,550,000) shares and shall be designated "Series A Preferred Stock," the second series of Preferred shall be comprised of six million three hundred thousand (6,300,000) shares and shall be designated "Series B Preferred Stock," the third series of Preferred shall be comprised of six million nine hundred thousand (6,900,000) shares and shall be designated "Series C Preferred Stock," and the fourth series of Preferred shall be comprised of six million six hundred thousand (6,600,000) shares and shall be designated "Series D Preferred Stock." As used herein, the term "Series A Preferred," "Series B Preferred," "Series C Preferred" or "Series D Preferred" without designation shall refer to shares of the Company's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, respectively, and the term "Common" shall refer to the Company's Common Stock. The board of directors of the Company (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 designations thereof, or 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 Company's articles of incorporation ("Protective Provisions"), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, preferences, privileges and restrictions of any such additional series may be subordinated to, *pari passu* with (including, without limitation, inclusion in provisions with respect to liquidation 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 Preferred or Common. Subject to compliance with 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, Series C Preferred Stock or Series D Preferred Stock), prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In the event that 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.

The relative rights, preferences, privileges and restrictions granted to or imposed upon the Common, the Series A Preferred, the Series B Preferred, the Series C Preferred and the Series D Preferred are as follows:

1. Dividends.

(a) The holders of outstanding shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be entitled to receive in any fiscal year, when, as and if declared by the board of directors, out of any assets at the time legally available therefor, non-

cumulative dividends in cash at the rate of \$0.0266 per share of Series A Preferred, \$0.0786 per share of Series B Preferred, \$0.1504 per share of Series C Preferred and \$0.3426 per share of Series D Preferred, as adjusted for any consolidations, combinations, stock distributions, stock dividends, stock splits or similar events (collectively a "Recapitalization Event"), per annum. Dividends may be declared and paid upon Common Stock in any fiscal year of the Company only if (i) dividends in the total amount of \$0.0266 or more per share (as adjusted for any Recapitalization Event) shall have been paid or declared and set apart upon all shares of Series A Preferred during that fiscal year, (ii) dividends in the total amount of \$0.0786 or more per share (as adjusted for any Recapitalization Event) shall have been paid or declared and set apart upon all shares of Series B Preferred during that fiscal year, (iii) dividends in the total amount of \$0.1504 or more per share (as adjusted for any Recapitalization Event) shall have been paid or declared and set apart upon all shares of Series C Preferred during that fiscal year, and (iv) dividends in the total amount of \$0.3426 or more per share (as adjusted for any Recapitalization Event) shall have been paid or declared and set apart upon all shares of Series D Preferred during that fiscal year. The right to dividends on Series A Preferred shares, Series B Preferred shares, Series C Preferred shares and Series D Preferred shares shall not be cumulative, and no right shall accrue to holders of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred shares by reason of the fact that distributions on said shares are not declared in any prior year, nor shall any undeclared or unpaid distribution bear or accrue interest.

(b) Each holder of shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be deemed to have consented, for purposes of sections 502, 503 and 506 of the General Corporation Law of the State of California, to distributions made by the Company in connection with the repurchase of shares of Common Stock issued to or held by employees, directors or consultants upon termination of their employment or services pursuant to agreements providing for such repurchase.

## 2. Liquidation Preference.

(a) In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, distributions to the shareholders of the Company shall be made in the following manner:

(i) The holders of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be entitled to receive on a *pari passu* basis and prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Common or any other class or series of capital stock of this Company by reason of their ownership of such stock, an amount for each share of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred then held by them, equal to \$0.333, \$0.9833, \$1.88 and \$4.28, respectively, (appropriately adjusted for any Recapitalization Event) plus all declared and unpaid dividends thereon (the "Preferred Liquidation Preference"). If upon occurrence of such event of liquidation, dissolution or winding up, the assets and property legally available to be distributed among the holders of the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be insufficient to permit the payment to such holders of the Preferred Liquidation Preference, then the entire assets and property of the Company legally available for distribution shall be distributed ratably among the holders of the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred in accordance with each Series' liquidation preference.

(ii) After payment has been made to the holders of the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred of the full amounts to which they shall be entitled pursuant to Section 2(a)(i) above, all remaining assets available for distribution, if any, shall be distributed ratably among the holders of the Common based upon the number of shares of Common then held by each such holder.

(b) Unless the holders of a majority of the issued and outstanding Preferred otherwise elect, by giving written notice of such election to the Company at least three (3) days prior to the effective date of such merger, consolidation or asset or stock sale, for purposes of this Section 2, a merger or consolidation (other than a Qualifying Merger or Consolidation, as defined below) of the Company with or into any other entity or entities, or a sale of 50% or more of the Company's assets or Common Stock (assuming for such purposes the conversion of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred at the then-applicable Conversion Price), but excluding any sale of shares by the Company in an equity financing approved by the Company's board of directors, including the approval of two members of the board of directors elected by the holders of Series A Preferred and Series B Preferred (excluding for this purpose board members elected by all shareholders voting together as a single class), shall be treated as a liquidation, dissolution or winding up of the Company. As used herein, a "Qualifying Merger or Consolidation" means (i) a merger or consolidation effected for the purpose of reincorporating the Company in another jurisdiction or (ii) a merger or consolidation following which the shareholders of the Company immediately prior to the Qualifying Merger or Consolidation (x) own more than 50% of the voting securities of the surviving entity which are outstanding or reserved for issuance and (y) have the power to elect at least a majority of the members of the board of directors of the surviving entity. The valuation of any securities or other property other than cash received by the Company in any transaction covered by this subparagraph 2(b) shall be computed at the fair value thereof at the time of receipt as determined in good faith by the Board of Directors.

### 3. Redemption.

(a) On December 31 of each year (the "Redemption Date") beginning December 31, 2003, and continuing until all shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred have been redeemed, at the option of the holders of a majority of the then-outstanding Series A Preferred shares, voting as a separate class, the holders of a majority of the then-outstanding Series B Preferred shares, voting as a separate class, the holders of a majority of the then-outstanding Series C Preferred shares, voting as a separate class, the holders of a majority of the then-outstanding Series D Preferred shares, voting as a separate class and upon the Company's receipt on or before the date thirty (30) days prior to each Redemption Date of a written request for redemption by the holders of the applicable series, the Company shall redeem, from any source of funds legally available therefor a number of shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred (i) set forth in the written request of the holders of the applicable series up to a number of shares determined (w) with respect to the Series A Preferred, by multiplying 0.25 by the number of shares of Series A Preferred outstanding on the first Redemption Date, as adjusted for any Recapitalization Event (the "Series A Maximum Redemption"), (x) with respect to the Series B Preferred, by multiplying 0.25 by the number of shares of Series B Preferred outstanding on the first Redemption Date, as adjusted for any Recapitalization Event (the "Series B Maximum Redemption"), (y) with respect to the Series C Preferred, by multiplying 0.25 by the

number of shares of Series C Preferred outstanding on the first Redemption Date, as adjusted for any Recapitalization Event (the "Series C Maximum Redemption"), or (z) with respect to the Series D Preferred, by multiplying 0.25 by the number of shares of Series D Preferred outstanding on the first Redemption Date, as adjusted for any Recapitalization Event (the "Series D Maximum Redemption"), plus (ii) all shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred which the holders of the applicable series had requested the Company redeem on any prior Redemption Date under subparagraph 3(a)(i) but which were not redeemed by the Company ("Unsatisfied Prior Redemption Date"); provided, however, that the shares to be redeemed pursuant to this subparagraph 3(a)(ii) shall not exceed the respective Series A Maximum Redemption, Series B Maximum Redemption, Series C Maximum Redemption and Series D Maximum Redemption for all Unsatisfied Prior Redemption Dates. The Company shall effect such redemptions on the applicable Redemption Date by paying in cash in exchange for the Series A Preferred shares, Series B Preferred shares, Series C Preferred or Series D Preferred shares to be redeemed a sum equal to \$0.333 per share of Series A Preferred, \$0.9833 per share of Series B Preferred, \$1.88 per share of Series C Preferred and \$4.28 per share of Series D Preferred (as adjusted for any stock dividends, combinations or splits with respect to the Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred) plus all declared but unpaid dividends on such shares (the "Redemption Price").

(b) At least fifteen (15) but no more than thirty (30) days prior to each Redemption Date, the Company shall mail, first class postage prepaid, written notice to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Series A Preferred shares, Series B Preferred shares, Series C Preferred shares and Series D Preferred shares to be redeemed, at the address last shown on the records of the Company for such holder, notifying such holder of the redemption to be effected, specifying the number of shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred to be redeemed from such holder, the Redemption Date, the Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to the Company in the manner and at the place designated, his or her certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in subparagraph 3(c), on or after the Redemption Date each holder of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred to be redeemed shall surrender to this Company the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such Series A Preferred shares, Series B Preferred shares, Series C Preferred shares or Series D Preferred shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate or certificates are redeemed, a new certificate shall be issued representing the unredeemed shares.

(c) From and after each Redemption Date, unless there shall have been a default in payment of the Redemption Price in which case the holders of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall not be required to redeem any outstanding shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred and shall retain all rights as holders of such shares, all rights of the holders of shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred designated for redemption in the Redemption Notice (except the right to receive the Redemption Price without interest upon surrender

of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Company or be deemed to be outstanding for any purpose whatsoever. If the funds of the Company legally available for redemption of shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred on any Redemption Date are insufficient to redeem the total number of shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred 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 the respective amounts of the Redemption Prices which would have been payable to them if the funds of the Company legally available therefor had been sufficient to redeem all such shares. The shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Company are legally available for the redemption of shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred, such funds will immediately be used to redeem the balance of the shares which the Company has become obliged to redeem on any Redemption Date, but which it has not redeemed.

(d) On or prior to each Redemption Date, the Company shall deposit the Redemption Price of all shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred designated for redemption in the Redemption Notice and not yet redeemed, with a bank or trust corporation having aggregate capital and surplus in excess of One Hundred Million Dollars (\$100,000,000) as a trust fund for the benefit of the respective holders of the shares designated for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust corporation to pay the Redemption Price for such shares to their respective holders on or after such Redemption Date upon receipt of notification from the Company that such holder has surrendered his share certificate to the Company pursuant to subparagraph 3(b) of this Article III above. As of each Redemption Date, the deposit shall constitute full payment of the shares to their holders, and from and after such Redemption Date the shares so called for redemption shall be redeemed and shall be deemed to be no longer outstanding, and the holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust corporation payment of the Redemption Price of the shares, without interest, upon surrender of their certificates therefor. Such instructions shall also provide that any moneys deposited by the Company pursuant to this subparagraph 3(d) for the redemption of shares thereafter converted into shares of the Company's Common Stock pursuant to Section 4 of this Article III prior to the applicable Redemption Date shall be returned to the Company forthwith upon such conversion. The balance of any moneys deposited by the Company pursuant to this subparagraph 3(d) remaining unclaimed at the expiration of two (2) years following the Redemption Date shall thereafter be returned to the Company upon its request expressed in a resolution of its Board of Directors.

4. Conversion. The holders of the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall have conversion rights (the "Conversion Rights") as follows:

(a) Each share of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred 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 Company or any transfer agent for the Series A

Preferred, Series B Preferred, Series C Preferred and Series D Preferred, into Common Stock as more fully described below. The number of shares of fully paid and nonassessable Common Stock into which each share of Series A Preferred may be converted shall be determined by dividing \$0.333 by the Series A Conversion Price (as hereinafter defined) in effect at the time of conversion. The number of shares of fully paid and nonassessable Common Stock into which each share of Series B Preferred may be converted shall be determined by dividing \$0.9833 by the Series B Conversion Price (as hereinafter defined) in effect at the time of conversion. The number of shares of fully paid and nonassessable Common Stock into which each share of Series C Preferred may be converted shall be determined by dividing \$1.88 by the Series C Conversion Price (as hereinafter defined) in effect at the time of conversion. The number of shares of fully paid and nonassessable Common Stock into which each share of Series D Preferred may be converted shall be determined by dividing \$4.28 by the Series D Conversion Price (as hereinafter defined) in effect at the time of conversion. The Series A Conversion Price shall initially be \$0.333, subject to adjustment as provided in paragraph 5 of this Article III, the Series B Conversion Price shall initially be \$0.9833, subject to adjustment as provided in paragraph 5 of this Article III and the Series C Conversion Price shall initially be \$1.88, subject to adjustment as provided in paragraph 5 of this Article III, and the Series D Conversion Price shall initially be \$4.28, subject to adjustment as provided in paragraph 5 of this Article III.

(b) Each share of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall automatically be converted into shares of Common utilizing the then-effective Conversion Price for such series for each such share upon the closing of a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of shares of Common for the account of the Company to the public at a price to the public of not less than \$6.67 per share (subject to adjustment for any Recapitalization Event effected after the date hereof) and an aggregate gross offering price to the public of not less than \$20,000,000. In the event of such an offering, the person(s) entitled to receive the Common issuable upon such automatic conversion of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be deemed to have converted such Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred immediately prior to the closing of such sale of securities.

(c) Each share of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall automatically be converted into shares of Common utilizing the then-effective Conversion Price for such series, for each such share upon the written consent of holders of two-third of the then-outstanding shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred, voting as a single class on an as-converted basis.

(d) No fractional shares of Common shall be issued upon conversion of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the fair market value of the Common on the Conversion Date, as determined by the Board of Directors. Before any holder of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred shall be entitled to convert the same into full shares of Common, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for the Series A Preferred, Series B Preferred, Series C Preferred or Series D

Preferred, and shall give written notice to the Company at such office that he elects to convert the same; *provided, however*, that in the event of an automatic conversion pursuant to subparagraph 4(b) or subparagraph 4(c) of this Article III, the outstanding shares of all Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; *and provided further, however*, that the Company shall not be obligated to issue certificates evidencing the shares of Common issuable upon such automatic conversion unless either the certificates evidencing such shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred are delivered to the Company or its transfer agent as provided above, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates.

(e) The Company shall, as soon as practicable after such delivery, or after such agreement and indemnification, issue and deliver at such office to such holder of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred, a certificate or certificates for the number of shares of Common to which he shall be entitled as aforesaid and a check payable to the holder, or order, in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common, plus any declared and unpaid dividends on the converted Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred, and a certificate for any shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred not so 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 shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred to be converted, or, in the case of automatic conversion, on the date of the closing of the offering or the receipt of the written consent (as the case may be), and the person or persons entitled to receive the shares of Common issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common on such date.

(f) In the event of any taking by the Company 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 Company shall mail to each holder of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred, 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.

##### 5. Adjustments to Series A, Series B, Series C and Series D Conversion Price.

(a) In the event the Company at any time or from time to time after the date hereof effects a subdivision or combination of its outstanding Common into a greater or lesser number of shares without a proportionate and corresponding subdivision or combination of its outstanding Preferred, then and in each such event the Series A Conversion Price, the Series B

Conversion Price, the Series C Conversion Price and the Series D Conversion Price shall be decreased or increased proportionately.

(b) In the event the Company at any time or from time to time after the date hereof shall make or issue, or fix a record date for the determination of holders of Common entitled to receive, a dividend or other distribution payable in additional shares of Common or other securities or rights (hereinafter referred to as "Common Stock Equivalents") convertible into or entitling the holder thereof to receive additional shares of Common without payment of any consideration by such holder for such Common Stock Equivalents or the additional shares of Common, then and in each such event the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents shall be deemed to be issued and outstanding as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date. In each such event, the Conversion Price shall be proportionately decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date.

(c) If at any time after the first date on which a share of Series D Preferred is first issued (the "Series D Original Issue Date"), the Company shall issue or sell Equity Securities, as defined in subsection (d)(i) below, at a consideration per share less than the Series A Conversion Price, Series B Conversion Price, Series C Conversion Price and/or Series D Conversion Price in effect immediately prior to the time of such issue or sale, then forthwith upon such issue or sale, the Series A Conversion Price, Series B Conversion Price, Series C Conversion Price and/or Series D Conversion Price, as applicable, shall be adjusted to a price (calculated to the nearest cent) determined by dividing:

(i) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately prior to such issue or sale multiplied by the then-existing Conversion Price for such series of Preferred, (y) the number of shares of Common Stock issuable upon conversion or exchange of any obligations (other than shares issuable upon exercise of unvested options issued pursuant to a plan or plans approved by the Board of Directors) or of any shares of stock of the Company outstanding immediately prior to such issue or sale multiplied by the then-existing Conversion Price for such series of Preferred, and (z) an amount equal to the aggregate "consideration actually received" by the Company upon such issue or sale, by

(ii) an amount equal to the sum of (x) the number of shares of Common Stock outstanding immediately after such issue or sale, (y) the number of shares of Common Stock issuable upon conversion or exchange of any obligations (other than shares issuable upon exercise of unvested options issued pursuant to a plan or plans approved by the Board of Directors) or of any shares of stock of the Company outstanding immediately prior to such issue or sale and (z) the additional shares of Common Stock issued as and/or issuable upon conversion or exchange of the Equity Securities issued in such issuance or sale.

(d) For purposes of subsections (c) hereof, the following provisions shall be applicable:



(i) The term "Equity Securities" shall mean any shares of Common Stock, or any obligation, any share of stock or any other security of the Company convertible into or exchangeable for Common Stock or any other security convertible into or exchangeable for Common Stock except for (1) Common Stock issued or issuable after the Series D Original Issue Date to officers, directors, employees or consultants of the Company pursuant to stock grant, stock purchase and/or stock option plans or any other stock incentive program, agreement or arrangement unanimously approved by the Board of Directors, (2) securities issued pursuant to (A) the Company's purchase of substantially all of the assets of another company, or (B) any transaction or series of related transactions where the principal purpose is not to raise additional equity capital for the Company (including, without limitation, any reorganization, merger or consolidation) which will result in the holders of the outstanding voting equity securities of the Company immediately prior to such transaction holding less than fifty percent (50%) of the voting equity securities of the surviving entity immediately following such transaction, (3) shares issued pursuant to subparagraph 5(a) or 5(b) of this Article III, (4) Common and/or Preferred Stock issuable upon exercise, conversion or exchange of warrants to purchase Common or Preferred Stock issued in connection with a bank line or equipment financing approved by the Board of Directors, and (5) shares of Common Stock issued upon conversion of the Preferred Stock.

(ii) In the case of an issuance or sale for cash of Equity Securities, the "consideration actually received" by the Company therefor shall be deemed to be the amount of cash received, before deducting therefrom any commissions or expenses paid by the Company.

(iii) In case of the issuance (otherwise than upon conversion or exchange of obligations or shares of stock of the Company) of Equity Securities for a consideration other than cash or a consideration partly other than cash, the amount of the consideration other than cash received by the Company for such shares shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors.

(iv) In case of the issuance by the Company in any manner of any rights to subscribe for or to purchase Equity Securities, or any options for the purchase of Equity Securities or stock convertible into Equity Securities, all Equity Securities or stock convertible into Equity Securities to which the holders of such rights or options shall be entitled to subscribe for or purchase pursuant to such rights or options shall be deemed "outstanding" as of the date of the offering of such rights or the granting of such options, as the case may be, and the minimum aggregate consideration named in such rights or options for the Equity Securities or stock convertible into Equity Securities covered thereby, plus the consideration, if any, received by the Company for such rights or options, shall be deemed to be the "consideration actually received" by the Company (as of the date of the offering of such rights or the granting of such options, as the case may be) for the issuance of such rights or the granting of such options.

(v) In case of the issuance or issuances by the Company in any manner of any obligations or of any shares of stock of the Company that shall be convertible into or exchangeable for Common Stock, all shares of Common Stock issuable upon the conversion or exchange of such obligations or shares shall be deemed issued as of the date such obligations or shares are issued, and the amount of the "consideration actually received" by the Company for such Equity Securities shall be deemed to be the total of (1) the amount of consideration received by the

Company upon the issuance of such obligations or shares, as the case may be, plus (2) the minimum aggregate consideration, if any, other than such obligations or shares, receivable by the Company upon such conversion or exchange, except in adjustment of dividends.

(vi) The amount of the "consideration actually received" by the Company upon the issuance of any rights or options referred to in subsection (iv) above or upon the issuance of any obligations or shares which are convertible or exchangeable as described in subsection (v) above, and the amount of the consideration, if any, other than such obligations or shares so convertible or exchangeable, receivable by the Company upon the exercise, conversion or exchange thereof shall be determined in the same manner provided in subsections (ii) and (iii) above with respect to the consideration received by the Company in case of the issuance of Equity Securities; *provided, however*, that if such obligations or shares of stock so convertible or exchangeable are issued in payment or satisfaction of any dividend upon any stock of the Company other than Common Stock, the amount of the "consideration actually received" by the Company upon the original issuance of such obligations or shares of stock so convertible or exchangeable shall be deemed to be the fair value of such obligations or shares of stock, as of the date of the adoption of the resolution declaring such dividend, as determined by the Board of Directors at or as of that date. On the expiration of any rights or options referred to in subsection (iv), or the termination of any right of conversion or exchange referred to in subsection (v), or any change in the number of shares of Common Stock deliverable upon exercise of such options or rights or upon conversion of or exchange of such convertible or exchangeable securities, the Series A Conversion Price, the Series B Conversion Price, the Series C Conversion Price or the Series D Conversion Price then in effect shall forthwith be readjusted to such Series A Conversion Price, Series B Conversion Price, Series C Conversion Price or Series D Conversion Price as would have obtained had the adjustments made upon the issuance of such option, right or convertible or exchangeable securities been made upon the basis of the delivery of only the number of shares of Common Stock actually delivered or to be delivered upon the exercise of such rights or options or upon the conversion or exchange of such securities.

(vii) In the event this Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Company or other persons or options or rights not referred to in subsection 5(c), then, in each such case, the holders of the Preferred Stock shall be entitled to the distributions provided for in Article III, Section 1 above, and no adjustment to the Conversion Price provided for in subsection 5(c) shall be applicable.

(e) Without the consent of the holders of a majority in interest of the outstanding Preferred, the Company will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of this paragraph 5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred against impairment.

(f) Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price, the Series B Conversion Price, the Series C Conversion Price or the Series D

Conversion Price pursuant to this paragraph 5, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of shares of Preferred a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common and the amount, if any, of other property which at the time would be received upon the conversion of Preferred.

(g) This Company 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, Series B Preferred, Series C Preferred and Series D Preferred 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, Series B Preferred, Series C Preferred and Series D Preferred; 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, Series B Preferred, Series C Preferred and Series D Preferred, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this Company 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.

6. Voting Rights.

(a) So long as 1,500,000 shares of Series A Preferred (as adjusted for any Recapitalization Event) are outstanding, the holders of the Series A Preferred, voting as a separate class, shall be entitled to elect one (1) director. So long as 3,000,000 shares of Series B Preferred (as adjusted for any Recapitalization Event) are outstanding, the holders of the Series B Preferred, voting as a separate class, shall be entitled to elect two (2) directors. The holders of the Common Stock, voting as a separate class, shall be entitled to elect two (2) directors. The holders of the Common Stock and the holders of the Series A Preferred, the Series B Preferred, the Series C Preferred and the Series D Preferred, voting together as a single class, shall be entitled to elect all other directors. Any vacancy in the Board of Directors occurring because of the death, resignation or removal of a director elected by the holders of the outstanding class with voting power entitled to elect him or her shall be filled by the vote or written consent of the holders of the outstanding class with voting power entitled to elect him or her or, in the absence of action by such holders, by action of the remaining directors. A director may be removed with or without cause by the vote or consent of the holders of the outstanding class with voting power entitled to elect him or her in accordance with the California Corporations Code.

(b) Except as otherwise required by these Restated Articles or by law, on all other matters, each share of Common issued and outstanding shall have one vote, and each share of Preferred issued and outstanding shall have the number of votes equal to the number of Common shares into which such share of Preferred could be converted at the record date for determination of the shareholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited, such votes to be counted together with all other shares of stock of the Company having general voting power and not

separately as a class. The Preferred and the Common shall vote as a single class on all matters except as otherwise required by these Restated Articles or by law.

7. Protective Provisions.

(a) The Company shall not increase the authorized number of members of the Board of Directors of the Company beyond six (6) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least two-thirds of the then-outstanding shares of Preferred Stock, voting separately as a class, and at least a majority of the then-outstanding shares of Common Stock, voting separately as a class.

(b) In addition to, and not in limitation of, any other vote that may be required by law, so long as 1,500,000 shares of Series A Preferred (as adjusted for any Recapitalization Event), 3,000,000 shares of Series B Preferred (as adjusted for any Recapitalization Event), 3,000,000 shares of Series C Preferred (as adjusted for any Recapitalization Event) and 2,250,000 shares of Series D Preferred (as adjusted for any Recapitalization Event) are outstanding, this Company shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least two-thirds of the then-outstanding shares of Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred, voting together as a single class on an as-if-converted basis:

(i) alter or change the rights, preferences or privileges of the shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred;

(ii) take any action that reclassifies any outstanding shares of this Company's capital stock into shares of capital stock having preferences or priority as to dividends or assets senior to or on parity with the preferences and priority of the Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred;

(iii) authorize, designate or issue, or obligate itself to issue, any other equity security, including any other security convertible into or exercisable for any equity security, having a preference or priority as to dividends or assets senior to or on parity with the preferences and priority of the Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred;

(iv) make any declaration or payment of any dividend with respect to the Common Stock;

(v) redeem, repurchase, retire or otherwise reacquire, directly or indirectly, any shares of capital stock of the Company in amounts in excess of \$25,000 in any twelve-month period other than (A) pursuant to the redemption provisions set forth in paragraph 3 of Article III, and (B) shares of Common Stock repurchased from officers, directors, employees or consultants of the Company pursuant to agreements or plans providing for such repurchase approved by the Board of Directors;

(vi) 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 the voting power of the Company is disposed of;

- (vii) effect a dissolution, liquidation or winding up of the Company;
- (viii) permit any subsidiary of the Company to issue or sell, or obligate itself to issue or sell, except to the Company or any wholly-owned subsidiary, any stock of such subsidiary; or
- (ix) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Preferred Stock.

## ARTICLE IV

### LIABILITY OF DIRECTORS AND INDEMNIFICATION OF AGENTS

The liability of the directors of the Company for monetary damages shall be eliminated to the fullest extent permissible under California law.

The Company is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) for breach of duty to the Company and its shareholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject to the limits on such excess indemnification set forth in Section 204 of the California Corporations Code.

The Company is authorized to indemnify the directors and officers of the Company to the fullest extent permissible under California law.

Any amendment, repeal or modification of any provision of this Article IV shall not adversely affect any right or protection of a director or officers of the Company existing at the time of such amendment, repeal or modification."

3. The foregoing Fifth Amended and Restated Articles of Incorporation have been duly approved by the Company's Board of Directors.

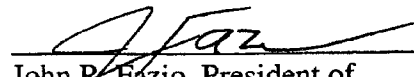
4. The foregoing Fifth Amended and Restated Articles of Incorporation have been duly approved by the required vote of shareholders in accordance with Section 902, California Corporations Code. The total number of outstanding shares of Common Stock of the Company is five million one hundred twenty eight thousand three hundred five (5,128,305). The total number of outstanding shares of Series A Preferred Stock of the Company is three million one hundred thousand (3,100,000). The total number of outstanding shares of Series B Preferred Stock of the Company is four million sixty seven thousand seven hundred ninety-two (4,067,792). The total

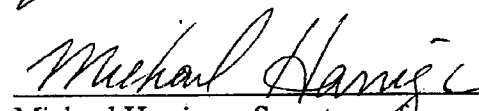
number of outstanding shares of Series C Preferred Stock of the Company is four million two hundred seventy-five thousand two hundred thirty-seven (4,275,237). The total number of outstanding shares of Series D Preferred Stock of the Company is four million three hundred sixty-one thousand three hundred seventy (4,361,370). The number of shares voting in favor of the foregoing Restated Articles equaled or exceeded the vote required, such required vote being more than fifty percent (50%) of the outstanding shares of Common Stock, voting as a single class, and at least two-thirds of the outstanding shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, voting as a single class.

**[Remainder of page intentionally left blank]**

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Executed at Sunnyvale, California, on the 15th day of March, 2000.

  
\_\_\_\_\_  
John R. Fazio, President of  
Shoreline Teleworks, Inc.

  
\_\_\_\_\_  
Michael Harrigan, Secretary of  
Shoreline Teleworks, Inc.

