

SOFTWARE PUBLISHING CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

November 13, 1984

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Software Publishing Corporation (the "Company"), a California corporation, will be held on Tuesday, November 13, 1984 at 3:00 p.m., local time, in the Executive Conference Room at Rickey's Hyatt House, 4219 El Camino Real, Palo Alto, California, for the following purposes:

1. To elect directors to serve for the ensuing year and until their successors are elected.
2. To amend and restate the Company's Articles of Incorporation, effective upon the automatic conversion of the Company's outstanding Class A Preferred Stock and Class B Preferred Stock into Common Stock, to (i) delete the authorized Class A Preferred Stock and Class B Preferred Stock and (ii) authorize a new class of shares designated "Preferred Stock", consisting of 2,000,000 shares, to be issued in such series as determined from time to time by the Board of Directors.
3. To approve the adoption of the Employee Stock Purchase Plan pursuant to which 250,000 shares of Common Stock are reserved for issuance.
4. To ratify and approve an amendment to the 1981 Stock Option Plan increasing the number of shares of Common Stock reserved for issuance thereunder from 625,000 to 985,000.
5. To approve an amendment to the Company's By-Laws to authorize the Company to make loans to, or guarantee the obligations of, officers and employees of the Company by approval of the Board of Directors alone where such loan or guaranty may reasonably be expected to benefit the Company.
6. To approve an amendment to the Company's By-Laws to provide for a variable number of directors from five to nine, with the number to be initially set at seven, the current number of directors.

7. To authorize and approve payment by the Company of expenses of registration of shares sold by Selling Shareholders who participate in the Company's initial public offering, if and when such offering should occur.

8. To ratify the appointment of Coopers & Lybrand as independent accountants for the Company for the fiscal year ending September 30, 1985.

9. To transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice.

Only shareholders of record at the close of business on October 19, 1984 are entitled to notice of and to vote at the meeting and any adjournment thereof. The transfer books will not be closed.

All shareholders are cordially invited to attend the meeting in person. However, to assure your representation at the meeting, you are urged to mark, sign, date and return the enclosed proxy as promptly as possible in the postage-prepaid envelope enclosed for that purpose. Any shareholder attending the meeting may vote in person even if such shareholder returned a proxy.

Pursuant to Section 603(b) of the California Corporations Code, you are hereby given notice that a majority of the outstanding shares of each class of the Company's capital stock approved by written consent an amendment to the Articles of Incorporation effecting a one-for-two reverse stock split of the Common Stock. This split was effective October 17, 1984.

Sincerely,

Janelle Bedke
Secretary

Mountain View, California
October 29, 1984

SOFTWARE PUBLISHING CORPORATION

PROXY STATEMENT FOR 1984 ANNUAL MEETING OF SHAREHOLDERS

INFORMATION CONCERNING SOLICITATION AND VOTING

General

The enclosed Proxy is solicited on behalf of Software Publishing Corporation (the "Company") for use at the Annual Meeting of Shareholders to be held Tuesday, November 13, 1984 at 3:00 p.m., local time, or at any adjournment thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Shareholders. The Annual Meeting will be held in the Executive Conference Room at Rickey's Hyatt House, 4219 El Camino Real, Palo Alto, California. The principal executive offices of the Company are located at 1901 Landings Drive, Mountain View, California, telephone number (415) 962-8910.

These proxy solicitation materials were mailed on or about October 29, 1984 to all shareholders entitled to vote at the meeting.

Record Date and Shares Outstanding

Shareholders of record at the close of business on October 19, 1984 are entitled to notice of and to vote at the meeting. At the record date, 3,344,947 shares of the Company's Common Stock (as adjusted for a one-for-two reverse stock split effective October 17, 1984), 2,500,000 shares of Class A Preferred Stock and 1,000,000 shares of Class B Preferred Stock were issued and outstanding. Except as noted below under "Voting and Solicitation" with respect to cumulative voting for directors, each share of Common Stock has one vote, each two shares of Class A Preferred Stock have one vote, and each two shares of Class B Preferred Stock have one vote. The total number of votes which may be cast is therefore 5,094,947.

Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to the Company a written notice of revocation or a duly executed proxy bearing a later date or by attending the meeting and voting in person.

Voting and Solicitation

Every shareholder voting at the election of directors may cumulate such shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are entitled, or distribute the shareholder's votes on the same principle among as many candidates as the shareholder thinks fit, provided that votes cannot be cast for more than seven candidates. However, no shareholder shall be entitled to cumulate votes unless the candidate's name has been placed in nomination prior to the voting and the shareholder, or any other shareholder, has given notice at the meeting prior to the voting of the intention to cumulate the shareholder's votes. On all other matters, each share has the number of votes set forth above under "Record Date and Shares Outstanding".

The cost of this solicitation will be borne by the Company. Proxies may also be solicited by certain of the Company's directors, officers and regular employees, without additional compensation, personally or by telephone or telegram.

ELECTION OF DIRECTORS

Nominees

A board of seven (7) directors is to be elected at the meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the Company's seven nominees named below, all of whom are presently directors of the Company. In the event that any nominee of the Company is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors to fill the vacancy. In the event that additional persons are nominated for election as directors, the proxy holders intend to vote all proxies received by them in such a manner in accordance with cumulative voting as will assure the election of as many of the nominees listed below as possible, and, in such event, the specific nominees to be voted for will be determined by the proxy holders. It is not expected that any nominee will be unable or will decline to serve as a director. The term of office of each person elected as a director will continue until the next Annual Meeting of Shareholders or until a successor has been elected and qualified.

The names of the nominees, and certain information about them, are set forth below.

<u>Name of Nominee</u>	<u>Age</u>	<u>Principal Occupation</u>	<u>Director Since</u>
Fred M. Gibbons	35	President and Chief Executive Officer of the Company	1980
Janelle Bedke	35	Vice President and General Manager, Productivity Software Division and Secretary of the Company	1981
John D. Page	40	Vice President Corporate Research and Development of the Company	1981
Thomas A. Tisch	45	General Partner, Rothschild, Unterberg, Towbin Management Company, a venture capital management firm	1981
Robert R. Maxfield	43	Vice President, ROLM Corporation, a manufacturer of computer-controlled branch exchange telephone systems and general purpose computers intended for use in severe environments	1981
John M. Purtell, Jr.	42	President, CompuShop Incorporated, a computer retailing firm	1984
E. E. van Bronkhorst	60	Retired	1984

DELETION OF CLASS A PREFERRED STOCK AND
CLASS B PREFERRED STOCK AND
CREATION OF NEW CLASS OF PREFERRED STOCK

Proposed Amendment

The Company's Articles of Incorporation presently provide that the outstanding Class A and Class B Preferred Stock will be automatically converted into Common Stock upon the closing of the sale of the Company's securities to the public pursuant to a registration statement filed under the Securities Act of 1933 providing for an underwritten public offering. At such time, the Company's Articles of Incorporation will contain lengthy provisions relating to the

rights and preferences of the Class A and Class B Preferred Stock which will no longer be outstanding and which would not be reissued. The Company wishes to delete such provisions (upon the conversion of such shares) and to remove such classes of shares from the authorized stock of the Company.

In anticipation of Software Publishing Corporation becoming a public company, the Board of Directors has approved amendment and restatement of the Company's Articles of Incorporation to (i) delete the authorized Class A Preferred Stock and Class B Preferred Stock, effective upon the automatic conversion of all outstanding shares of such classes of stock into Common Stock, and (ii) create a new class of Preferred Stock consisting of 2,000,000 shares. As to the newly authorized Preferred Stock, the Board of Directors would have the power to set the rights, preferences, privileges and restrictions without further shareholder approval. These rights could include dividend rights, liquidation rights, redemption features, voting rights and conversion rights, among others. The Articles of Incorporation, as proposed to be amended and restated, will be substantially in the form of Exhibit A hereto.

The new class of Preferred Stock will give the Board of Directors the flexibility and authority to provide for the issuance of Preferred Stock for any future acquisition or financing purposes, without delay, and without the need for further action by the shareholders. The Board of Directors has no present intention to issue such shares and is not engaged in any negotiations or discussions contemplating such an issuance.

If approved, this amendment and restatement will not be effective until the automatic conversion of the outstanding Class A and Class B Preferred Stock.

Required Vote

The approval of the proposed Restated Articles of Incorporation requires the affirmative vote of not less than a majority of the issued and outstanding shares of Common Stock, Class A Preferred Stock and Class B Preferred Stock entitled to vote, each voting as a separate class. If the amendment and restatement is not so approved, the present classes of Preferred Stock will continue to be authorized in the Articles of Incorporation and the new class of Preferred Stock will not be authorized for future issuance.

The Board of Directors of the Company recommends voting "FOR" approval of the foregoing amendment and restatement of the Articles of Incorporation.

ADOPTION OF THE EMPLOYEE STOCK PURCHASE PLAN

In October 1984 the Board of Directors of the Company adopted an Employee Stock Purchase Plan (the "Purchase Plan") under which a total of 250,000 shares of Common Stock (giving effect to the reverse stock split) were reserved for issuance. At the Annual Meeting, the shareholders are being requested to consider and approve the Purchase Plan. The affirmative vote of the holders of a majority of the outstanding shares of the Company's Common Stock, Class A Preferred Stock and Class B Preferred Stock, voting together, represented and voting at the meeting will be required to approve the Purchase Plan. The Board of Directors recommends that the shareholders vote "FOR" adoption of the Purchase Plan.

Purpose; Offering Period

The purpose of the Purchase Plan is to provide employees (including officers) of the Company and its majority-owned subsidiaries which are designated from time to time by the Board with an opportunity to purchase Common Stock of the Company through payroll deductions. The Purchase Plan provides for one offering during each six-month period. No shares have been offered or sold under the Purchase Plan.

Administration

The Purchase Plan will be administered by the Board of Directors of the Company or a committee appointed by the Board.

Eligibility and Participation

Subject to certain limitations as to ownership of the Company, any employee who is customarily employed for at least 20 hours per week and more than five months in a calendar year by the Company or its designated subsidiaries is eligible to participate in offerings under the Purchase Plan.

Purchase of Stock; Exercise of Option

The maximum number of shares placed under option to a participant in an offering is that number arrived at by dividing the participant's accumulated payroll deductions (not to exceed an amount equal to 10% of the participant's actual base compensation during the offering period up to a maximum of 150% of the participant's semi-annual compensation based upon the participant's rate of compensation as of the date of commencement of the six-month offering period) by 85% of the fair market value of the Common Stock at the beginning of the offering period. Unless the employee's participation is discontinued by withdrawal from the Purchase Plan or termination

of employment, the option for the purchase of shares will be exercised automatically at the end of the offering period at the applicable price. No interest is paid on the payroll deductions of a participant in the Purchase Plan.

Purchase Price

The price at which shares are sold under the Purchase Plan is the lower of 85% of the fair market value of a share of Common Stock, as determined by the Board of Directors, at the beginning or end of the six-month offering period.

Payment of Purchase Price; Payroll Deductions

The purchase price of the shares is accumulated by payroll deductions over each six-month offering period. The deductions may not be at a rate greater than 10% of a participant's base compensation. A participant may decrease, but not increase, his rate of payroll deductions at any time during the offering period.

Withdrawal from the Plan

A participant may terminate his interest in a given offering or offerings by withdrawing all, but not less than all, of the accumulated payroll deductions under the offering credited to his account at any time prior to the end of the offering period. As soon as practicable after such withdrawal, the payroll deductions credited to a participant's account under the applicable offering are returned to him, without interest.

Termination of Employment

Termination of a participant's employment for any reason, including retirement or death or the failure to remain in the continuous employ of the Company for at least 20 hours per week and five months in a calendar year, cancels his participation in the Purchase Plan immediately. In such event, the payroll deductions credited to the participant's account will be returned to him, or in the case of death, to the person or persons entitled thereto, without interest.

Capital Changes

In the event of changes in the Common Stock of the Company due to stock dividends or other changes in capitalization, or in the event of any merger, sale of assets or any other reorganization, appropriate adjustments will be made by the Company in the shares subject to purchase and in the price per share. In the event of the proposed dissolution or liquidation of the Company, the offering

period will be terminated immediately prior to consummation of such proposed action unless otherwise provided by the Board.

Amendment and Termination of the Plan

The Board of Directors of the Company may, at any time, amend or terminate the Purchase Plan, except that such termination cannot affect options previously granted nor may any amendment make any change in an existing option which adversely affects the rights of any participant. No amendment may be made to the Purchase Plan without prior approval of the shareholders of the Company if such amendment would increase the number of shares that may be issued under the Purchase Plan, permit payroll deductions at a rate in excess of 10% of the participants' base compensation, change the designation of the employees (or class of employees) which are eligible for participation in the Purchase Plan, or materially increase the benefits which may accrue to participants under the Purchase Plan.

RATIFICATION OF AMENDMENT TO 1981 STOCK OPTION PLAN

In April 1981 the Board of Directors of the Company adopted, and in July 1981 the shareholders approved, the 1981 Stock Option Plan (the "Option Plan"). A total of 625,000 shares (as adjusted for the recent reverse stock split) were reserved for issuance under the Option Plan by the shareholders at that time. By subsequent amendments adopted by the Board of Directors, that amount was increased by 360,000 shares to 985,000. At the Annual Meeting, the shareholders are being asked to ratify and approve this increase in shares reserved under the Option Plan. The affirmative vote of the holders of a majority of the outstanding shares of the Company's Common Stock, Class A Preferred Stock and Class B Preferred Stock, voting together, is required for ratification of the amendment to the Option Plan. Management recommends voting "FOR" ratification of the amendment to the 1981 Stock Option Plan.

General

Options granted under the Option Plan may be either "incentive stock options" or nonstatutory options, at the election of the Board of Directors or its appointed committee. Any employee of the Company is eligible to receive stock options. The Board of Directors, or its appointed committee, selects the optionees and determines the number of shares to be subject to each option. In making such determination, there is taken into account the duties and responsibilities of the employee, the value of the employee's services, the employee's contributions to the success of the Company and other

relevant factors. The purposes of the Option Plan are to attract and retain the best available personnel for positions of responsibility by providing additional incentive and to promote the success of the Company's business.

Terms of Options.

The terms of options granted under the Option Plan are to be determined by the Board of Directors or its committee. Each option is evidenced by a written stock option agreement between the Company and the person to whom the option is granted.

The optionee must earn the right to exercise his option by continuing to work for the Company. The option price must be equal to the fair market value of the Common Stock on the date of grant, or 110% of the fair market value if the optionee, immediately prior to the grant, owns stock representing 10% or more of the voting power or value of all securities of the issuer, in order to qualify as an incentive stock option. The Option Plan gives the Board of Directors or its committee the right to determine the consideration to be paid for the shares to be issued upon exercise of options and permits the use of cash, promissory notes or such other form of legal consideration as the Board of Directors shall determine.

Unless a shorter term is provided in the option agreement, each incentive option is granted for a maximum term of ten years, unless sooner terminated by reason of death or termination of employment. There are additional requirements for options to qualify as incentive stock options, including a limit as to the amount of options granted in any one year and a sequencing rule for the exercise of incentive stock options.

Adjustments Upon Changes in Capitalization

In the event any change is made in the Company's capitalization, such as a stock split, or in the event of the payment of a stock dividend on the Common Stock, an appropriate adjustment shall be made in the exercise price of and in the number of shares subject to outstanding options. In the event of a dissolution, liquidation, merger or sale of substantially all of the assets of the Company, all outstanding options automatically terminate, unless otherwise provided by the Board. The Board of Directors or its committee may in its discretion make provision for accelerating the exercisability of shares subject to option under the Option Plan in such event.

Amendment and Termination of the Plan

The Board of Directors may amend the Option Plan at any time or from time to time or may terminate it without approval of the

shareholders; however, the approval of the holders of a majority of the outstanding shares of the Company entitled to vote is required for any amendment which increases the number of shares for which options may be granted, changes the standards of eligibility or removes the administration of the Option Plan from the Board.

AMENDMENT OF BY-LAWS TO PROVIDE
FOR LOANS TO OFFICERS

Proposed Amendment

Effective February 17, 1982, the California General Corporation Law was amended to permit a corporation with 100 or more shareholders of record to make loans to or guarantee the obligations of a corporate officer, or implement an employee benefit plan authorizing such a loan or guaranty to an officer, upon approval by the corporation's board of directors alone, after the board determines that such loan, guaranty or plan may reasonably be expected to benefit the corporation. Before a corporation may act pursuant to the new law, a by-law authorizing such action by the board of directors must be approved by the shareholders.

Under the California General Corporation Law prior to the amendment, any such loan, guaranty or plan involving an officer of a corporation required shareholder approval on a case-by-case basis. Such loans to other employees do not require such approval.

To permit the Company to take advantage of this new law, if appropriate, the Company's Board of Directors has authorized an amendment to add the following provision to Article VIII ("Miscellaneous") of the Company's By-Laws:

"Section 5. Officer Loans and Guaranties.

If the corporation has outstanding shares held of record by 100 or more persons (determined as provided in Section 605 of the General Corporation Law) on the date of approval by the Board of Directors, the corporation may make loans of money or property to, or guarantee the obligations of, any employee or officer of the corporation or its parent or subsidiary, whether or not the employee or officer is a director, or adopt an employee benefit plan or plans authorizing such loans or guaranties, upon the approval of the Board of Directors alone, by a vote sufficient without counting the vote of any interested director or directors, if the Board of Directors determines that such a loan or guaranty or plan may reasonably be expected to benefit the corporation."

Purpose and Effect of Amendment

The principal purpose of the amendment to the By-Laws is to permit the Board of Directors to authorize the making of loans to, or the guaranty of the obligations of, officers of the Company without the delay and expense of having to seek the approval of the shareholders in each individual case. No such loans are presently contemplated. If the amendment is approved, the Board of Directors will have the power, without further shareholder approval, to authorize such loans or guaranties, or to authorize and implement employee benefit plans providing for such loans or guaranties, after the Board has determined that such loans, guaranties or plans may reasonably be expected to benefit the Company.

Required Vote

The proposed amendment to the By-Laws requires the affirmative vote of a majority of the issued and outstanding shares of Common Stock, Class A Preferred Stock and Class B Preferred Stock entitled to vote voting together. The Board of Directors recommends voting "FOR" approval of the amendment. The effective date of the amendment to the By-Laws, if the required approval of the shareholders is obtained, shall be the date of the Annual Meeting of Shareholders. If the amendment is not so approved, then the By-Laws shall stand without amendment or modification.

AMENDMENT OF BY-LAWS TO CHANGE TO VARIABLE NUMBER OF DIRECTORS

Proposed Amendment

The Board of Directors of the Company has approved an amendment to the By-Laws which would change the number of directors, which is currently fixed at seven (7), to a variable number from five (5) to nine (9) with the number proposed to be set initially at seven (7).

Section 2, Article I of the By-Laws is proposed to be amended to read in its entirety as follows:

"Section 2. Number and Qualification.

The number of directors of the corporation shall be not less than five (5) nor more than nine (9). The exact number of directors shall be seven (7) until changed within the limits specified above, by a by-law amending this section, duly adopted by the Board of Directors or

by the shareholders. The indefinite number of directors may be changed, or a definite number fixed without provision for an indefinite number, by a duly adopted amendment to the Articles of Incorporation or by an amendment to this by-law duly adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that an amendment reducing the fixed number or the minimum number of directors to a number less than five (5) cannot be adopted if the votes cast against its adoption at a meeting of the shareholders, or the shares not consenting in the case of action by written consent, are equal to more than 16-2/3% of the outstanding shares entitled to vote. No amendment may change the stated maximum number of authorized directors to a number greater than two times the stated minimum number of directors minus one."

Purpose and Effect of Amendment

Whereas a number of directors which is fixed in the By-Laws at a definite number may only be changed with approval of the shareholders of the Company, adoption of the proposed By-Law providing for a variable number of directors would permit the Board of Directors to vary the number of directors from time to time within the predetermined range without necessitating additional shareholder approval.

Required Vote

Adoption of the proposed amendment to the By-Laws would require approval of the holders of the majority of the outstanding shares of Common Stock, Class A Preferred Stock and Class B Preferred Stock, voting together. The Board of Directors recommends voting "FOR" the proposed amendment of the By-Laws.

APPROVAL OF PAYMENT OF REGISTRATION EXPENSES OF CERTAIN SELLING SHAREHOLDERS

The Company is presently contemplating an underwritten public offering of its Common Stock. For the holders of Common Stock of the Company who have chosen to participate, the Company would like to offer to pay the expenses of registration (i.e., legal fees, printing fees, etc.) of their shares which are sold in the offering. All selling shareholders will pay their pro rata share of the underwriting discount. The Company is under no obligation by law or contract to do so for holders of Common Stock, but believes that the inclusion of additional shares in the initial public offering is beneficial to the Company because it will create a larger number

of shares in the public market. In addition, these Common Stock shareholders have agreed with the underwriters not to sell any shares for a period of 180 days after the public offering, and as "affiliates" of the Company are restricted as to the number of shares which may be sold by them and the time and manner of any such sale. Although it is difficult to estimate the incremental expenses that would be incurred by including these selling shareholders in the offering, the Company does not believe the amount will be significant in relation to the total expenses of the offering that would otherwise be incurred. Accordingly, all holders of outstanding Common Stock, Class A Preferred Stock and Class B Preferred Stock of the Company are being requested to approve and consent to the payment of such fees.

The Company is seeking the approval of as many shareholders as possible for this proposal. The Board of Directors recommends voting "FOR" approval of payment of registration expenses of the holders of Common Stock who are selling shareholders.

RATIFICATION OF INDEPENDENT ACCOUNTANTS

The Board of Directors has selected Coopers & Lybrand to audit the financial statements of the Company for the fiscal year ending September 30, 1985. Such nomination is being presented to the shareholders for ratification at the meeting. Management recommends that the shareholders vote "FOR" ratification of the selection of Coopers & Lybrand.

OTHER MATTERS

The Company knows of no other matters to be submitted to the meeting. If any other matters properly come before the meeting, it is the intention of the persons named in the enclosed proxy to vote the shares they represent as the Board of Directors may recommend.

It is important that your stock be represented at the meeting, regardless of the number of shares which you hold. You are, therefore, urged to execute and return the accompanying proxy in the envelope which has been enclosed, at your earliest convenience.

THE BOARD OF DIRECTORS

Janelle Bedke
Secretary

Dated: October 29, 1984

129AYW-1205
10/29/84

EXHIBIT A
RESTATED ARTICLES OF INCORPORATION
OF
SOFTWARE PUBLISHING CORPORATION

Fred M. Gibbons and Janelle Bedke certify that:

1. They are the duly elected and acting President and Secretary, respectively, of said corporation.

2. The Articles of Incorporation of said corporation, as amended to the date of the filing of this Certificate, including amendments set forth herein but not separately filed (and with the omissions required by Section 910 of the Corporations Code), shall be restated to read in full as follows:

"I.

The name of this corporation is: SOFTWARE PUBLISHING CORPORATION.

II.

The purpose of the 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 banking business, the trust company 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, designated "Common Stock" and "Preferred Stock". The total number of shares which this corporation is authorized to issue is 22,000,000. The number of shares of Preferred Stock which this corporation is authorized to issue is 2,000,000. The number of shares of Common Stock which this corporation is authorized to issue is 20,000,000.

The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of this corporation is authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and within the limitations or restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, to increase or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any such series subsequent to the issue of shares of that series, to determine the designation and par value of any series and to fix the number of shares of any series.

Upon the filing of these Restated Articles of Incorporation, each outstanding share of Common Stock shall be reconstituted and converted into one share of Common Stock as defined above."

3. The foregoing Restated Articles of Incorporation have been approved by the Board of Directors of said corporation.

4. The foregoing Restated Articles of Incorporation were approved by the required vote of the shareholders of said corporation in accordance with Sections 902 and 903 of the California General Corporations Code at the Annual Meeting of Shareholders, the record date for which was October 19, 1984. The total number of outstanding shares of each class entitled to vote with respect to the foregoing restatement was 3,344,947 shares of Common Stock, 2,500,000 shares of Class A Preferred Stock, and 1,000,000 shares of Class B Preferred Stock. The number of shares of each class voting in favor of the foregoing restatement equalled or exceeded the vote required. The vote required was a majority of the outstanding shares entitled to vote (Common Stock, Class A Preferred Stock and Class B Preferred Stock), a majority of the outstanding Common Stock, a majority of

the outstanding Class A Preferred Stock and a majority of the outstanding Class B Preferred Stock.

5. On November __, 1984, a registration statement covering the underwritten registered public offering and sale of the corporation's Common Stock became effective under the Securities Act of 1933, as amended. The aggregate offering price in the public offering described in such registration statement exceeded \$3 million and the average per share price was in excess of \$3.00. Therefore, pursuant to subsection (e)(1) of Article IV of the corporation's Articles of Incorporation, as amended prior to the filing of these Restated Articles of Incorporation, all outstanding shares of Class A Preferred Stock and Class B Preferred Stock were automatically converted into fully paid and nonassessable shares of Common Stock immediately upon the closing of such public offering on November __, 1984. Accordingly, as of the date of filing this Certificate, there are no shares of Class A Preferred Stock or Class B Preferred Stock outstanding.

Each of the undersigned further declares under penalty of perjury that the matters set out in the foregoing Restated Articles of Incorporation are true of his own knowledge.

Executed at Mountain View, California, on November __, 1984.

FRED M. GIBBONS

JANELLE BEDKE