SECURITIES AND EXCHANGE COMMISSION

FORM SC 13E3/A

Schedule filed to report going private transactions(Issuer Self-Tender Offer) [amend]

Filing Date: **2001-06-14**
SEC Accession No. 0000950149-01-500903

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SUBJECT COMPANY

IL FORNAIO AMERICA CORP

CIK:**724522**| IRS No.: **942766571** | State of Incorp.:**DE** | Fiscal Year End: **1229**
Type: **SC 13E3/A** | Act: **34** | File No.: **005-52915** | Film No.: **1660380**
SIC: **5812** Eating places

Mailing Address	Business Address
1000 SANSOME STREET	*770 TAMALPAIS DR*
C/O GOOLEY GODWARD LLP	*STE 400*
SAN FRANCISCO CA 94111	*CORTE MADERA CA 94925*
	4159450500

FILED BY

IL FORNAIO AMERICA CORP

CIK:**724522**| IRS No.: **942766571** | State of Incorp.:**DE** | Fiscal Year End: **1229**
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13E-3/A
(RULE 13e-100)

TRANSACTION STATEMENT UNDER SECTION 13(e) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 13e-3 THEREUNDER

RULE 13-e TRANSACTION STATEMENT UNDER SECTION 13(e) OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 4)

Il Fornaio (America) Corporation

(Name of the Issuer)

Il Fornaio (America) Corporation
Bruckmann, Rosser, Sherrill & Co. II, L.P.
Bruckmann, Rosser, Sherrill & Co., L.L.C.
BRSE, L.L.C.
Manhattan Acquisition Corp.
Michael J. Beatrice
Dean A. Cortopassi
W. Scott Hedrick
F. Warren Hellman
Michael J. Hislop
Paul J. Kelley
Laurence B. Mindel

(Name of the person(s) filing statement)

Common Stock, Par Value $0.001 Per Share

(Title of Class of Securities)

451926 10 9

CUSIP Number of Class of Securities

<TABLE>

<S>

MICHAEL J. HISLOP
President and Chief Executive Officer
Il Fornaio (America) Corporation
770 Tamalpais Drive, Suite 400
Corte Madera, CA 94925
(415) 945-0500

<C>

CYDNEY S. POSNER, ESQ.
VIRGINIA C. EDWARDS, ESQ.
Cooley Godward LLP
One Maritime Plaza, 20th Floor
San Francisco, CA 94111
(415) 693-2000

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HAROLD O. ROSSER, II
Bruckmann, Rosser, Sherrill & Co., L.L.C.
Bruckmann, Rosser, Sherrill & Co. II, L.P.
BRSE, L.L.C.
Manhattan Acquisition Corp.
c/o Bruckman, Rosser, Sherrill & Co., L.L.C.
126 East 56th Street
New York, NY 10022

CARMEN J. ROMANO, ESQ.
DAVID S. DENIOUS, ESQ.
Dechert
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
</TABLE>

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Person(s) Filing Statement)

This statement is filed in connection with (check the appropriate box):

a. /X/ The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C, or Rule 13e-3(c) under the Securities Exchange Act of 1934.

b. / / The filing of a registration statement under the Securities Act of 1933.

c. / / A tender offer.

d. / / None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies. /X/

Check the following box if the filing is a final amendment reporting the results of the transaction. / /

CALCULATION OF FILING FEE

TRANSACTION VALUATION*	AMOUNT OF FILING FEE**
$92,344,774	$18,469

*For purposes of calculating the filing fee only. Determined by (1) multiplying 5,827,571 shares of common stock, par value $0.001 per share, of Il Fornaio (America) Corporation by $14.00 per share (which price constituted the per share merger consideration as of the initial filing date of this Schedule 13E-3, which price was subsequently reduced to $12.00 per share on May 1, 2001, resulting in a corresponding decrease in the transaction valuation) and (2) adding thereto $10,758,780, which is the aggregate difference between $14.00 (subsequently reduced to $12.00) and the exercise prices for options to acquire 1,576,916 shares of common stock.

**The amount of the filing fee calculated in accordance with Exchange

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Act Rule 0-11 equals 1/50th of 1% of the transaction valuation.

/X/ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:	$18,469
Form or Registration No.:	Schedule 14A
Filing Party:	Il Fornaio (America) Corporation
Date Filed:	January 10, 2001

INTRODUCTION

This Amendment No. 4 to the Rule 13e-3 Transaction Statement on Schedule 13E-3 first filed on January 10, 2001 (this "Schedule 13E-3") is being filed by: (1) Il Fornaio (America) Corporation, a Delaware corporation ("Il Fornaio"), and the issuer of the equity securities that are the subject of the Rule 13e-3 transaction; (2) Bruckmann, Rosser, Sherrill & Co. II, L.P., a Delaware limited partnership ("BRS"); (3) Bruckmann, Rosser, Sherrill & Co., L.L.C., a Delaware limited liability company and an affiliate of BRS ("BRS & Co."); (4) BRSE, L.L.C., a Delaware limited liability company and an affiliate of BRS ("BRSE LLC"); (5) Manhattan Acquisition Corp., a Delaware corporation and wholly owned subsidiary of BRS ("Newco"); and (6) Laurence B. Mindel and Michael J. Hislop, each a director and executive officer of Il Fornaio, Dean A. Cortopassi, W. Scott Hedrick and F. Warren Hellman, each a director of Il Fornaio, and Michael J. Beatrice and Paul J. Kelley, each an executive officer of Il Fornaio (the "continuing directors and officers," and collectively with Il Fornaio, BRS, BRS & Co., BRSE LLC and Newco, the "Filing Persons"). BRS & Co. is the manager of BRS pursuant to a Management Agreement, dated as of May 21, 1999 between BRS & Co. and BRS. BRSE LLC is the sole general partner of BRS.

Pursuant to an Agreement and Plan of Merger, dated as of November 15, 2000, as amended January 9, 2001, as further amended as of May 1, 2001, as further amended as of June 13, 2001, between Il Fornaio and Newco, Newco will merge with and into Il Fornaio, and Il Fornaio will be the surviving corporation. Upon completion of the merger, each issued and outstanding share of Il Fornaio common stock will be converted into the right to receive $12.00 in cash, without interest, except that: (1) approximately 480,000 shares of Il Fornaio common stock held by certain directors and executive officers, as well as one other stockholder, will continue as, or be converted into, equity interests in Il Fornaio as the surviving corporation; (2) treasury shares and shares of Il Fornaio common stock held by Newco immediately prior to the effective time will be canceled without any payment therefor; and (3) shares held by stockholders who properly exercise appraisal rights will be subject to appraisal in accordance with Delaware law. Immediately prior to the completion of the merger, each outstanding option to purchase shares of Il Fornaio common stock will become fully vested and, at the effective time of the merger, will be canceled, and each option holder will be entitled to receive a cash payment equal to the difference between $12.00 and the exercise price of the option, multiplied by the number of shares subject to the option, except that (1) options with an exercise price equal to or greater than $12.00 per share will be

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canceled at the effective time of the merger without any payment or other consideration and (2) options to acquire shares of Il Fornaio common stock with an aggregate economic value (the difference between $12.00 and the applicable exercise price, multiplied by the number of shares subject to the option) of approximately $2.9 million held by certain Il Fornaio directors, executive officers and other employees are expected to be canceled in exchange for substitute, fully vested options to acquire preferred stock of the surviving corporation and, to a lesser extent, indirectly in exchange for shares of common stock of the surviving corporation. These directors, executive officers, employees and other stockholders who are continuing, through conversion, exchange or otherwise, their equity interests in Il Fornaio as the surviving corporation are referred to as "continuing stockholders." Upon completion of the merger, BRS, the continuing stockholders and BancBoston Capital, Inc., which has committed to provide financing for the transaction subject to certain conditions, are expected to own approximately 62%, 28% and 10%, respectively, of Il Fornaio's post-merger common stock and approximately 64%, 27% and 9%, respectively, of Il Fornaio's post-merger preferred stock on a fully diluted basis (including options, warrants and shares expected to be issued as employee incentives). The number of employees that elect to become continuing stockholders, as well as the number of shares or value of options they hold that will be retained as or be converted into equity interests in Il Fornaio as the surviving corporation, as well as the percentage ownership of Il Fornaio's post-merger common stock and preferred stock held by BRS and the continuing stockholders, may vary and may not be finally determined until shortly prior to completion of the merger.

Concurrently with the filing of this Schedule 13E-3, Il Fornaio is filing a revised preliminary proxy statement pursuant to which the stockholders of Il Fornaio will be given notice of the merger (the "proxy statement"). The information set forth in the proxy statement, including all schedules, exhibits, appendices and annexes thereto, is hereby expressly incorporated herein by reference and the responses to each item in this Schedule 13E-3 are qualified in their entirety by the information contained in the proxy statement and the schedules, exhibits, appendices and annexes thereto.

The filing of this Schedule 13E-3 shall not be construed as an admission by any Filing Person or by any affiliate of a Filing Person that Il Fornaio is "controlled" by the continuing directors and officers, BRS, BRS & Co., BRSE LLC or Newco, or that any of the continuing directors and officers, BRS, BRS & Co., BRSE LLC or Newco is an "affiliate" of Il Fornaio within the meaning of Rule 13e-3 under Section 13(e) of the Securities Exchange Act of 1934, as amended. The information in the proxy statement and this Schedule 13E-3 concerning Il Fornaio after the completion of the merger has been supplied by BRS or the continuing directors and officers, information about Il Fornaio before the completion of the merger has been supplied by Il Fornaio, information about BRS, BRS & Co., BRSE LLC and Newco has been supplied by BRS and information about each of the continuing directors and officers has been supplied by the applicable individual.

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ITEM 1. SUMMARY TERM SHEET.

The information contained in the sections entitled "SUMMARY TERM SHEET" and "QUESTIONS AND ANSWERS ABOUT THE MERGER" in the proxy statement is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) Name and Address. The information contained in the section entitled "THE PARTICIPANTS" in the proxy statement is incorporated herein by reference.

(b) Securities. The information contained in the section entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the proxy statement is incorporated herein by reference.

(c) Trading Market and Price. The information contained in the section entitled "MARKETS AND MARKET PRICE" in the proxy statement is incorporated herein by reference.

(d) Dividends. The information contained in the section entitled "MARKETS AND MARKET PRICE" in the proxy statement is incorporated herein by reference.

(e) Prior Public Offerings. Not applicable.

(f) Prior Stock Purchases. The information contained in the section entitled "COMMON STOCK PURCHASE INFORMATION" in the proxy statement is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF THE FILING PERSONS.

(a), (c) Name and Address; Business and Background of Natural Persons. The information contained in the section entitled "THE PARTICIPANTS" in the proxy statement is incorporated herein by reference. Il Fornaio, one of the Filing Persons, is also the subject company. The information contained in the section entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the proxy statement, and in Appendix D and Appendix E to the proxy statement, is incorporated herein by reference. During the last five years, none of the following persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to any judicial or administrative proceeding that resulted in a judgment, decree or final order enjoining further violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of such laws: (1) to the best knowledge of Il Fornaio and each of the continuing directors and officers, as

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applicable, Il Fornaio's current directors or executive officers; (2) to the best knowledge of BRS, the general partners of BRS; (3) to the best knowledge of BRS & Co., the current members of BRS & Co.; (4) to the best knowledge of BRSE LLC, the current members of BRSE LLC; and to the best knowledge of Newco, Newco's current directors or executive officers. All current directors and executive officers of Il Fornaio and Newco, and each member of BRS, BRS & Co. and BRSE LLC, are U.S. citizens.

(b) Business and Background of Entities. The information contained in the section entitled "THE PARTICIPANTS" in the proxy statement, and in Appendix D and Appendix E to the proxy statement, is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a)(1) Tender Offers. Not applicable.

(a)(2)(i) Transaction Description. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

(a)(2)(ii) Consideration. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "THE MERGER AGREEMENT-Payment for Shares" in the proxy statement is incorporated herein by reference.

(a)(2)(iii) Reasons for Transaction. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Background of the Merger," "-Recommendation of the Board of Directors; Fairness of the Merger" and "-Purpose and Structure of the Merger" in the proxy statement is incorporated herein by reference.

(a)(2)(iv) Vote Required for Approval. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "THE SPECIAL MEETING-Record Date and Voting Information" in the proxy statement is incorporated herein by reference.

(a)(2)(v) Differences in the Rights of Security Holders. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Effects of the Merger" and "-Interests of Il Fornaio

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Directors and Officers in the Merger" in the proxy statement is incorporated herein by reference.

(a)(2)(vi) Accounting Treatment. The information contained in the sections entitled "SUMMARY" and "SPECIAL FACTORS-Accounting Treatment of the Merger" in the proxy statement is incorporated herein by reference.

(a)(2)(vii) Income Tax Consequences. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "SPECIAL FACTORS-Material U.S. Federal Income Tax Consequences" in the proxy statement is incorporated herein by reference.

(c) Different Terms. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Effects of the Merger" and "-Interests of Il Fornaio Directors and Officers in the Merger" in the proxy statement is incorporated herein by reference.

(d) Appraisal Rights. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "SPECIAL FACTORS-Appraisal Rights" in the proxy statement is incorporated herein by reference.

(e) Provisions For Unaffiliated Security Holders. The information contained in the sections entitled "THE SPECIAL MEETING-Record Date and Voting Information" and "SPECIAL FACTORS-Appraisal Rights" in the proxy statement is incorporated herein by reference.

(f) Eligibility for Listing or Trading. Not applicable.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(a) Transactions. None.

(b),(c) Significant Corporate Events; Negotiations or Contacts. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Background of the Merger," "-Effects of the Merger," "-Interests of Il Fornaio Directors and Officers in the Merger" and "COMMON STOCK PURCHASE INFORMATION" in the proxy statement is incorporated herein by reference.

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(e) Agreements Involving the Subject Company's Securities. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Background of the Merger," "-Effects of the Merger," "-Interests of Il Fornaio Directors and Officers in the Merger" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

(b) Use of Securities Acquired. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Effects of the Merger" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

(c) Plans. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Effects of the Merger," "-Interests of Il Fornaio Directors and Officers in the Merger," "-Merger Financing" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

ITEM 7. PURPOSES, ALTERNATIVES, REASONS AND EFFECTS.

(a),(c) Purposes; Reasons. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Background of the Merger," "-Recommendation of the Board of Directors; Fairness of the Merger" and "-Purpose and Structure of the Merger" in the proxy statement is incorporated herein by reference.

(b) Alternatives. The information contained in the sections entitled "SPECIAL FACTORS-Background of the Merger" and "-Recommendation of the Board of Directors; Fairness of the Merger" in the proxy statement is incorporated herein by reference.

(d) Effects. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Recommendation of the Board of Directors; Fairness of the Merger," "-Effects of the Merger," "-Interests of Il Fornaio Directors and Officers in the Merger," "-Estimated Fees and Expenses of the Merger," "-Material U.S. Federal Income Tax Consequences" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

ITEM 8 FAIRNESS OF THE TRANSACTION.

(a),(b) Fairness; Factors Considered in Determining Fairness. The

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information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER,"

"SUMMARY," "SPECIAL FACTORS-Background of the Merger," "-Recommendation of the Board of Directors; Fairness of the Merger," "-Purpose and Structure of the Merger" and "-Opinion of Financial Advisor to the Special Committee" in the proxy statement, and Appendix B to the proxy statement, "Opinion of Evercore Partners," is incorporated herein by reference.

(c) Approval of Security Holders. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "THE SPECIAL MEETING-Record Date and Voting Information," "SPECIAL FACTORS-Recommendation of the Board of Directors; Fairness of the Merger," "THE MERGER AGREEMENT-Conditions to Completing the Merger" and "-Termination" in the proxy statement is incorporated herein by reference.

(d) Unaffiliated Representative. The information contained in the section entitled "SPECIAL FACTORS-Recommendation of the Board of Directors; Fairness of the Merger" in the proxy statement is incorporated herein by reference.

(e) Approval of Directors. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS-Background of the Merger" and "-Recommendation of the Board of Directors; Fairness of the Merger" in the proxy statement is incorporated herein by reference.

(f) Other Offers. The information contained in the sections entitled "SPECIAL FACTORS-Background of the Merger" and "-Recommendation of the Board of Directors; Fairness of the Merger" in the proxy statement is incorporated herein by reference.

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND NEGOTIATIONS.

(a)-(c) Report, Opinion, or Appraisal; Preparer and Summary of the Report; Availability of Documents. The information contained in the sections entitled "SUMMARY," "SPECIAL FACTORS-Background of the Merger," "-Recommendation of the Board of Directors; Fairness of the Merger," "-Opinion of Financial Advisor to the Special Committee" and "WHERE

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STOCKHOLDERS CAN FIND MORE INFORMATION" in the proxy statement, and Appendix B to the proxy statement, "Opinion of Evercore Partners," is incorporated herein by reference.

ITEM 10. SOURCE AND AMOUNTS OF FUNDS OR OTHER CONSIDERATION.

(a),b),(d) Source of Funds; Conditions; Borrowed Funds. The information contained in the sections entitled "SUMMARY" and "SPECIAL FACTORS-Merger Financing" in the proxy statement is incorporated herein by reference.

(c) Expenses. The information contained in the sections entitled "SUMMARY," "THE SPECIAL MEETING-Expenses of Proxy Solicitation" and "SPECIAL FACTORS-Estimated Fees and Expenses of the Merger" in the proxy statement is incorporated herein by reference.

ITEM 11. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) Securities Ownership. The information contained in the section "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the proxy statement is incorporated herein by reference.

(b) Securities Transactions. None.

ITEM 12. THE SOLICITATION OR RECOMMENDATION.

(d) Intent to Tender or Vote in a Going-Private Transaction. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "THE SPECIAL MEETING-Record Date and Voting Information" and "SPECIAL FACTORS-Interests of Il Fornaio Directors and Officers in the Merger" in the proxy statement is incorporated herein by reference.

(e) Recommendations to Others. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "SPECIAL FACTORS-Recommendation of the Board of Directors; Fairness of the Merger" in the proxy statement is incorporated herein by reference.

ITEM 13. FINANCIAL STATEMENTS.

(a) Financial Information. The information contained in the sections entitled "IL FORNAIO SELECTED HISTORICAL FINANCIAL

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DATA" and "WHERE STOCKHOLDERS CAN FIND MORE INFORMATION" in the proxy statement is incorporated herein by reference, including Item 8, "Financial Statements and Supplementary Data," of Il Fornaio's most recent Annual Report on Form 10-K/A and Item 1, "Financial Statements," of Il Fornaio's most recent Quarterly Report on Form 10-Q.

(b) Pro Forma Information. Not applicable.

ITEM 14. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

(a),(b) Solicitations or Recommendations; Employees and Corporate Assets. The information contained in the sections entitled "SUMMARY," "THE SPECIAL MEETING-Expenses of Proxy Solicitation," "SPECIAL FACTORS-Background of the Merger," "-Estimated Fees and Expenses of the Merger" and "-Opinion of Financial Advisor to the Special Committee" in the proxy statement, and Appendix B to the proxy statement, "Opinion of Evercore Partners," is incorporated herein by reference.

ITEM 15. ADDITIONAL INFORMATION.

(b) Other Material Information. The information contained in the sections entitled "SUMMARY" and "SPECIAL FACTORS-Litigation Challenging the Merger" in the proxy statement is incorporated herein by reference.

ITEM 16. EXHIBITS.

(a) Preliminary proxy statement on Schedule 14A filed with the Securities and Exchange Commission on June 14, 2001 (incorporated herein by reference to the proxy statement).

(b)(1)* Commitment letter from Fleet National Bank to BRS, dated April 30, 2001.

(b)(2) Commitment letter from BancBoston Capital, Inc. to BRS, dated June 8, 2001.

(b)(3) Commitment extension letter from Fleet National Bank to BRS, dated June 12, 2001.

(c)(1) Opinion of Evercore Partners, dated May 1, 2001 (incorporated herein by reference to Appendix B to the proxy statement).

(c)(2)* Presentation of Evercore Partners to the Special Committee of the Il Fornaio Board of Directors, presented on November 14,

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	2000.
(c)(3)*	Presentation of S.F. Investment Firm to the Il Fornaio Board of Directors, presented on August 10, 2000.
(c)(4)*	Presentation of Evercore Partners, dated July 6, 1999, furnished to the Il Fornaio Board of Directors.
(c)(5)*	Presentation of Evercore Partners to the Special Committee of the Il Fornaio Board of Directors, presented on April 2, 2001.
(c)(6)*	Presentation of Evercore Partners to the Special Committee of the Il Fornaio Board of Directors, presented on May 1, 2001.
(d)(1)	Agreement and Plan of Merger, dated as of November 15, 2000, as amended as of January 9, 2001, as further amended as of May 1, 2001, as further amended as of June 13, 2001, between Il Fornaio and Newco (incorporated herein by reference to Appendix A to the proxy statement).
(d)(2)	Voting Agreement, dated as of November 15, 2000, as amended as of January 9, 2001, by and among Newco and the continuing stockholders.
(d)(3)	Securities Purchase and Contribution Agreement, dated as of November 15, 2000, as amended as of January 9, 2001, as further amended as of May 1, 2001, by and among Newco, BRS and the continuing stockholders.
(d)(4)	Memorandum of Understanding, dated June 6, 2001, relating to the settlement of In Re Il Fornaio Shareholders Litigation, Civil Action No. 18506 commenced, on or about November 16, 2000 in the Delaware Chancery Court, New Castle County.
(f)	Section 262 of the Delaware General Corporation Law (incorporated herein by reference to Appendix C to the proxy statement).
(g)	Not applicable.

* Previously filed as an exhibit to the Schedule 13E-3 and incorporated by reference herein.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This Schedule 13E-3 includes and incorporates by reference statements that are not historical facts. These forward-looking statements are based on our current estimates and assumptions and, as such, involve uncertainty and risk. Forward-looking statements include the information concerning our possible or assumed future results of operations and also include those preceded or followed by the words "anticipates," "believes," "estimates," "expects," "should,"

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"could," "targets" and "may" or similar expressions.

The forward-looking statements are not guarantees of future performance, and actual results may differ materially from those contemplated by such forward-looking statements. In addition to the factors discussed in the proxy statement, including those discussed in "Special Factors-Background of the Merger," other factors that could cause actual results to differ materially include changes in the cost of food, labor and energy, the performance of new restaurants, potentially adverse weather conditions, the impact of potential health and regulatory developments, the loss of key personnel, competitive factors, potential liabilities associated with long-term leases, changes in consumer preferences, Il Fornaio's ability to execute its business strategy, fluctuations in inventory and general and administrative expenses, and general economic conditions. In addition, Il Fornaio's plans for new restaurant locations and timing of openings depend upon, among other things, successful completion of lease negotiations, timely project development and restaurant construction, obtaining appropriate regulatory approvals, management of costs and recruitment of qualified operating personnel. These and other factors are discussed in the documents included as Appendices F and G in the proxy statement.

Except to the extent required under the federal securities laws, the Filing Persons do not intend to update or revise the forward-looking statements to reflect circumstances arising after the date of the preparation of the forward-looking statements.

SIGNATURE

After due inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Dated: June 14, 2001

IL FORNAIO (AMERICA) CORPORATION

By /s/ MICHAEL J. HISLOP

Name: Michael J. Hislop
Title: President and Chief Executive Officer

BRUCKMANN, ROSSER, SHERRILL & CO. II, L.P.
By BRSE, L.L.C., its general partner

By /s/ STEPHEN C. SHERRILL

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Name: Stephen C. Sherrill
Title: Managing Director

BRUCKMANN, ROSSER, SHERRILL & CO., L.L.C.

By /s/ STEPHEN C. SHERRILL

Name: Stephen C. Sherrill
Title: Managing Director

BRSE, L.L.C.

By /s/ STEPHEN C. SHERRILL

Name: Stephen C. Sherrill
Title: Managing Director

MANHATTAN ACQUISITION CORP.

By /s/ J. RICE EDMONDS

Name: J. Rice Edmonds
Title: Secretary

/s/ MICHAEL J. BEATRICE

Michael J. Beatrice

/s/ DEAN A. CORTOPASSI

Dean A. Cortopassi

/s/ W. SCOTT HEDRICK

W. Scott Hedrick

/s/ F. WARREN HELLMAN

F. Warren Hellman

/s/ MICHAEL J. HISLOP

Michael J. Hislop

/s/ LAURENCE B. MINDEL

Laurence B. Mindel

/s/ PAUL J. KELLEY

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EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit Number	Description
<S>	<C>
(a)	Preliminary proxy statement on Schedule 14A filed with the Securities and Exchange Commission on June 14, 2001 (incorporated herein by reference to the proxy statement).
(b)(1)*	Commitment letter from Fleet National Bank to BRS, dated April 30, 2001.
(b)(2)	Commitment letter from BancBoston Capital, Inc. to BRS, dated June 8, 2001.
(b)(3)	Commitment extension letter from Fleet National Bank to BRS, dated June 12, 2001.
(c)(1)	Opinion of Evercore Partners, dated May 1, 2001 (incorporated herein by reference to Appendix B to the proxy statement).
(c)(2)*	Presentation of Evercore Partners to the Special Committee of the Il Fornaio Board of Directors, presented on November 14, 2000.
(c)(3)*	Presentation of S.F. Investment Firm to the Il Fornaio Board of Directors, presented on August 10, 2000.
(c)(4)*	Presentation of Evercore Partners, dated July 6, 1999, furnished to the Il Fornaio Board of Directors.
(c)(5)*	Presentation of Evercore Partners to the Special Committee of the Il Fornaio Board of Directors, presented on April 2, 2001.
(c)(6)*	Presentation of Evercore Partners to the Special Committee of the Il Fornaio Board of Directors, presented on May 1, 2001.
(d)(1)	Agreement and Plan of Merger, dated as of November 15, 2000, as amended as of January 9, 2001, as further amended as of May

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	1, 2001, as further amended as of June 13, 2001, between Il Fornaio and Newco (incorporated herein by reference to Appendix A to the proxy statement).
(d)(2)	Voting Agreement, dated as of November 15, 2000, as amended as of January 9, 2001, by and among Newco and the continuing stockholders.
(d)(3)	Securities Purchase and Contribution Agreement, dated as of November 15, 2000, as amended as of January 9, 2001, as further amended as of May 1, 2001, by and among Newco, BRS and the continuing stockholders.
(d)(4)	Memorandum of Understanding, dated June 6, 2001, relating to the settlement of In Re Il Fornaio Shareholders Litigation, Civil Action No. 18506 commenced on or about November 16, 2000 in the Delaware Chancery Court, New Castle County.
(f)	Section 262 of the Delaware General Corporation Law (incorporated herein by reference to Appendix C to the proxy statement).
(h)	Not applicable.

</TABLE>

* Previously filed as an exhibit to the Schedule 13E-3 and incorporated by reference herein.

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EXHIBIT 99(b)(2)

[BANCBOSTON LETTERHEAD]

June 8, 2001

Mr. Harold O. Rosser
Managing Director
Bruckmann, Rosser, Sherrill & Co.
126 East 56th Street, 29th Floor
New York, NY 10022

Re: Il Fornaio America Corporation

Dear Hal:

I am pleased to advise you that BancBoston Capital, Inc. or an affiliate ("BBC") is able to provide $13,000,000 of mezzanine financing and $2,000,000 of equity financing to assist Bruckmann, Rosser, Sherrill & Co. ("BRS") in acquiring (the "Acquisition") Il Fornaio America Corporation ("Il Fornaio" or the "Company"). The principal terms of our commitment are set forth in an attachment to this letter. This commitment is also subject to the following conditions:

1. Satisfactory review of the confirmatory legal due diligence to be conducted on your behalf.

2. Completion of the Acquisition by not later than August 7, 2001 on terms and conditions satisfactory to BBC.

3. The availability on terms and conditions satisfactory to BBC of (a) at least $38,000,000 of equity financing from BRS, management and existing shareholders, and (b) not more than $42,500,000 of senior debt facilities.

4. Absence of (A) any material environmental problems involving the Company's assets; (B) any material adverse change since March 31, 2001 in the Company's business or financial condition; and (C) any material litigation relating to the Company, the proposed financing, or the Acquisition.

5. Execution on terms satisfactory to BBC of a shareholders' agreement between the Company and its shareholders.

6. Compliance by the Company with all legal and regulatory requirements applicable to the Acquisition and the proposed financing.

7. Execution by BBC and BRS of mutually satisfactory final documentation containing customary terms and conditions and receipt by BBC of satisfactory evidence of corporate approvals by all parties to the Acquisition and the proposed financing.

As you know, we would like to work with you on this transaction and are prepared to complete the aforementioned due diligence upon your acceptance of this letter. If you accept this commitment and the Acquisition closes, you will be responsible for all of our out-of-pocket expenses. If you accept this commitment and the Acquisition does not close, you will be responsible only for our legal expenses.

In addition, in consideration of the time and resources devoted by BBC to this transaction, you agree you will not solicit, negotiate or accept any proposal or agreement for any alternative debt or equity financing to the financing contemplated herein. In the event that you proceed to complete the Acquisition within one year without utilizing the financing proposed by BBC hereunder, in addition to all out-of-pocket expenses mentioned above, you agree to pay BBC a break-up fee of $500,000, payable in cash upon the closing date of the Acquisition. Such break-up fee constitutes liquidated damages to compensate BBC for its lost investment opportunities (which you hereby agree are not and will not be susceptible to reasonable proof of amount, and therefore will not be compensated by ordinary damages).

You further agree to keep this letter and its contents confidential and, without the prior consent of BBC, agree not to disclose to any person (other than on a

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confidential basis to your legal and investment advisors) the terms, conditions or other contents of this letter or subsequent negotiations between the parties hereto.

This commitment will terminate at 5:00 p.m. on June 15, 2001 unless we have received a signed copy of this letter and the attached term sheet signifying your agreement to its terms and conditions.

We are delighted to have the opportunity to work with you and look forward to the successful completion of the transaction.

Sincerely,

BANCBOSTON CAPITAL, INC.

/s/ Theresa A. Nibi

By: Theresa A. Nibi
Its: Director

Accepted and Agreed to this 12th day of June 2001:

Bruckmann, Rosser, Sherrill & Co.

/s/ Harold O. Rosser

By: Harold O. Rosser
Its: Managing Director

SUMMARY OF BBC'S INVESTMENT TERMS
FOR THE ACQUISITION OF IL FORNAIO

I. Senior Subordinated Notes

<TABLE>
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Obligor:	The Company
Face Amount:	$13,000,000
Purchase Price:	Par
Amortization/Maturity:	Face Amount due on the seventh anniversary of closing.
Interest Rate:	13% per annum payable quarterly in arrears in cash in Years 1 through 5. Thereafter, the greater of (a) Fleet Boston's Base Rate plus 500 basis points, and (b) 13% per annum, payable quarterly in arrears in cash.
Transaction Fee:	2% of the Face Amount payable in cash at closing.
Prepayment Penalty:	5% in Year 1, 4% in Year 2, 3% in Year 3 of the amount prepaid. No prepayment penalty thereafter.
Transfer Rights:	Freely transferable subject to applicable securities laws.
Subordination:	To the senior bank debt only on terms reasonably satisfactory to BBC.
General Covenants:	In addition to normal representations, warranties and covenants, BBC would expect that the Securities Purchase Agreement would include, but not necessarily be limited to, the following: o Consolidated financial ratio tests and covenants similar to those of the senior lender. o Limitations on the kinds of business in which the Company engages and restrictions on mergers and acquisitions. o Limitations on distributions, dividends, and management fees.

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o Limitations on transactions with affiliates.

</TABLE>

5

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o Limitations on additional indebtedness without BBC's consent.

o No amendment subsequent to closing of clauses in the senior debt agreements relating to terms and conditions of BBC's Securities Purchase Agreement regarding the maturity, amortization, interest, or fees of the Senior Subordinated Notes or redemption of the Warrant or Warrant Stock.

o BBC's consent required on change of ownership and/or control of the Company and on changes to the Company's charter documents.

o Right to receive copies of all financial information delivered to the Company's senior lenders.

o Monthly financial reporting, including income statement, balance sheet and cash flow, covenant compliance reports, certified annual audit, and any other information BBC may reasonably request.

II. Warrant

Description:	BBC will receive a detached Warrant representing a 5.2% equity interest (including all preferred and common stock) on a fully-diluted basis in the Company.
Purchase Price:	Nominal ($1.00).
Exercise Price:	Nominal ($0.01 per share).
Exercise Period:	At any time.
Expiration:	10 years from closing.
Put Rights:	At any time after the fifth anniversary of closing, BBC may require the Company to repurchase all of the Warrant or Warrant Stock for cash equal to the percentage of equity represented by the Warrant or Warrant Stock multiplied by the fair market value of the Company's equity as determined by negotiation or, if necessary, appraisal. The Company's Put Rights will terminate upon completion of an initial public offering by the Company.

</TABLE>

6

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Call Rights:	At any time after the seventh anniversary of closing, the Company may repurchase all of BBC's Warrant or Warrant Stock on the same basis as under Put Rights. The Company's Call Rights will terminate upon completion of an initial public offering by the Company.
Transfer Rights:	Freely transferable subject to applicable securities laws.
Shareholder Rights:	o Anti-dilution provisions including, without limitation, provisions providing for additional compensation to BBC to compensate it for the effects of any dilution of the value of its Warrant or Warrant Stock in the event any of the Company's equity capital at closing is contributed in the form of junior subordinated debt or preferred stock. o Pre-emptive rights. o Rights to piggyback on a pro rata basis on any public or private sale of the Company's equity securities. o Demand registration rights after the company has gone public. o The right to attend the Company's Board of Directors' meetings (which shall meet at least quarterly).

</TABLE>

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III. Preferred and Common Stock

BBC will invest $2,000,000 in the Company's preferred and common stock on the same basis and in the same proportions as BRS. BBC will be entitled to the same rights with respect to the preferred and common stock as are set forth in the Shareholder Rights section above.

This summary of terms does not purport to include all the provisions (including usual representations and warranties, conditions, covenants and events of default) which would be contained in documents for this transaction, all of which must be satisfactory in form and substance to us and our counsel, and to BRS and the Company and their counsel, prior to the making of the proposed investment.

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EXHIBIT (d)(2)

VOTING AGREEMENT

THIS IS A VOTING AGREEMENT, dated as of November 15, 2000, and amended as of January 9, 2001 (the "Agreement"), by and among Manhattan Acquisition Corp., a Delaware corporation (the "Company"), and the entities and individuals set forth on the signature pages hereto (the "Stockholders").

Background

A. The Stockholders as a group beneficially own 1,029,822 shares of Common Stock, par value $.001 per share (the "Baker Common Stock") of Il Fornaio (America) Corporation, a Delaware corporation ("Baker"), and 1,000,722 options to purchase shares of Baker Common Stock.

B. The Company has entered into the Agreement and Plan of Merger, dated as of the date hereof (as it may hereafter be amended, the "Merger Agreement"), with Baker, whereby the Company will be merged (the "Merger") with and into Baker. Baker will be the surviving corporation in such Merger.

C. Pursuant to the Securities Purchase and Contribution Agreement, dated as of the date hereof (as it may hereafter be amended, the "Securities Purchase Agreement"), by and among the Company, Bruckmann, Rosser, Sherrill & Co. II, L.P., a Delaware limited partnership ("BRS"), and certain of the Stockholders, BRS and certain of the Stockholders have agreed to invest an aggregate of $40 million in the Company and/or Baker as the surviving corporation in the form of the exchange of certain securities of Baker and/or in cash, as the case may be, in accordance with the terms of the Securities Purchase Agreement.

D. In consideration of the mutual undertakings of the parties hereinafter set forth and in order to induce the Company to enter into the Merger Agreement and the Securities Purchase Agreement, the Stockholders wish to agree to certain restrictions regarding their voting rights, and to grant a proxy to the Company, with respect to the shares of capital stock of Baker owned by them, subject to the terms and conditions hereinafter set forth.

Terms

In consideration of the mutual representations, warranties and covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

VOTING OF CERTAIN SHARES AND OTHER COVENANTS OF THE STOCKHOLDERS

1.1. Voting of Shares. From the date hereof until the termination of this Agreement pursuant to Section 3.3 hereof (the "Term"), at any meeting of the stockholders of

Baker, however called, and in any action by consent of such stockholders, each Stockholder will vote (or give consent in respect of) the shares of Baker Common Stock beneficially owned by such Stockholder (i) in favor of the Merger and adoption of the Merger Agreement (as amended from time to time), (ii) against

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any Acquisition Proposal (as defined in the Merger Agreement) and against any proposal for action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of Baker under the Merger Agreement or which is reasonably likely to result in any of the conditions of Baker's or the Company's obligations under the Merger Agreement not being fulfilled, any change in the directors of Baker, any change in the present capitalization of Baker or any amendment to Baker's certificate of incorporation or bylaws, any other material change in Baker's corporate structure or business, or any other action which could reasonably be expected to impede, interfere with, delay, postpone or materially adversely affect the transactions contemplated by the Merger Agreement or the likelihood of such transactions being consummated and (iii) in favor of any other matter necessary for consummation of the transactions contemplated by the Merger Agreement which is considered at any such meeting of stockholders or in such consent, and in connection therewith to execute any documents which are necessary or appropriate in order to effectuate the foregoing, including the ability for the Company or its nominees to vote such Baker Common Stock directly. Each Stockholder will use his, her or its best efforts to cast such Stockholder's vote or give such Stockholder's consent in accordance with the procedures communicated to the Stockholder by Baker relating thereto so that the vote or consent shall be duly counted for purposes of determining that a quorum is present and for purposes of recording the results of the vote or consent taken. As used herein, the term "beneficially own" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

1.2. No Inconsistent Arrangements. Except as contemplated by this Agreement, each Stockholder will not during the Term (i) transfer (which term shall include any sale, assignment, gift, pledge, hypothecation or other disposition), or consent to any transfer of, any or all of the shares of Baker Common Stock, or options to purchase such shares, that are beneficially owned by such Stockholder, or any interest therein, or create or, permit to exist any Lien on such securities, (ii) enter into any contract, option or other agreement or understanding with respect to any transfer of any or all such securities, or any interest therein, (iii) grant any proxy, power-of-attorney or other authorization in or with respect to such securities, (iv) deposit such securities into a voting trust or enter into a voting agreement or arrangement with respect to such securities, or (v) take any other action that would in any way restrict, limit or interfere with the performance of its obligations hereunder or the transactions contemplated hereby or by the Merger Agreement.

1.3. Proxy. Each Stockholder hereby revokes any and all prior proxies or powers of attorney in respect of any shares of Baker Common Stock beneficially owned by such Stockholder and constitutes and appoints the Company, or any nominee thereof, with full power of substitution and re-substitution, at any time during the Term, as its true and lawful attorney and proxy (its "Proxy"), for and in its name, place and stead, to demand that the Secretary of Baker call a special meeting of the stockholders of Baker for the purpose of considering any matter referred to in Section 1.1 and to vote each share of Baker Common Stock beneficially

owned by such Stockholder as its Proxy with regard to any matter referred to in Section 1.1, at every annual, special, adjourned or postponed meeting of the stockholders of Baker, including the right to sign its name (as stockholder) to any consent, certificate or other document relating to Baker, that the Delaware General Corporation Law may permit or require as provided in Section 1.1.

THE FOREGOING PROXY AND POWER OF ATTORNEY ARE IRREVOCABLE AND COUPLED WITH AN INTEREST THROUGHOUT THE TERM.

1.4. Waiver of Appraisal Rights. Each Stockholder hereby waives any rights of appraisal or rights to dissent from the Merger.

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1.5. Stop Transfer. Each Stockholder will not request that Baker or the Company (or their respective registrars or transfer agents) register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of shares of Baker Common Stock beneficially owned by such Stockholder, unless such transfer is made in compliance with this Agreement.

1.6. No Solicitation. During the Term, each Stockholder will not, nor shall it permit or authorize any of its officers, directors, employees, agents or representatives (collectively, the "Representatives") to, (i) solicit or initiate, or encourage, directly or indirectly, any inquiries regarding the submission of, any Acquisition Proposal, (ii) participate in any discussions or negotiations regarding, or furnish to any Person any information or date with respect to, or take any other action to knowingly facilitate the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal or (iii) enter into any agreement with respect to any Acquisition Proposal or approve or agree or resolve to approve any Acquisition Proposal. Upon execution of this Agreement, each Stockholder will, and it will cause its Representatives to, immediately cease any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. Each Stockholder will promptly (and in any event, within 24 hours) advise the Company orally and in writing of any request for information or the submission or receipt of any Acquisition Proposal, or any inquiry with respect to or which could lead to any Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry and the identity of the person making any such request, Acquisition Proposal or inquiry and such Stockholder's response or responses thereto. This Section 1.6 relates only to action taken or omitted by any Stockholder in his, her or its capacity as such, and does not restrict or require action taken or omitted by such Stockholder or any person affiliated with such Stockholder in his or her capacity, if any, as an officer or director of Baker so long as any such action of such Stockholder or any person affiliated with such Stockholder in his or her capacity as an officer or director of Baker is not in breach of the terms and provisions of the Merger Agreement.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF EACH STOCKHOLDER

2.1. Representations, Warranties and Covenants of Each Stockholder. Each of the Stockholders severally represents and warrants to, and covenants and agrees with, the Company as to itself that:

(a) Such Stockholder has full legal right, power and authority (including the due authorization by all necessary corporate, limited liability company or partnership action in the case of Stockholders who are corporations, limited liability companies or partnerships) to enter into this Agreement and to perform such Stockholder's obligations hereunder without the need for the consent of any other person or entity; and this Agreement has been duly authorized, executed and delivered by such Stockholder.

(b) To the knowledge of the Stockholders, the execution, delivery and performance of this Agreement by each Stockholder does not contravene or violate any laws, rules or regulations applicable to it.

(c) Each Stockholder represents that it is and will at Closing be the sole record (except as otherwise noted on Schedule I) and beneficial owner of, with Control (as defined below) over, the shares of Baker Common Stock and/or options to purchase Baker Common Stock set forth beside his, her or its name on Schedule I, free and clear of any pledge, lien, security interest, mortgage,

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charge, claim, equity, option, proxy, voting restriction, voting trust or agreement, understanding, arrangement, right of first refusal, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind ("Lien"), other than restrictions imposed by the securities laws or Liens arising under this Agreement, the Merger Agreement and the Securities Purchase Agreement (and, in the case of such options, the terms of the option agreement and plan document relating thereto). Such Stockholder does not beneficially own any equity securities of Baker other than the securities set forth on Schedule I. For purposes of this Agreement, "Control" shall mean the right, power and authority to vote and to sell shares of Baker Common Stock and/or options to purchase Baker Common Stock without the need for the consent of any other person or entity.

ARTICLE III

MISCELLANEOUS

3.1. Definitions. Capitalized terms used but not otherwise defined in this Agreement have the meanings assigned to such terms in the Merger Agreement.

3.2. Amendment and Modification.

(a) Any of the provisions of this Agreement may be amended or modified pursuant to a writing executed by the Company and each of the parties hereto.

(b) Any party hereto may (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties of the other parties hereto contained herein or in any document delivered pursuant hereto and (iii) waive compliance by the other parties hereto with any of their agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only as against such party and only if set forth in an instrument in writing signed by such party.

(c) The failure of any party hereto to exercise any right, power, or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

3.3. Termination. This Agreement will terminate and be of no further force and effect (i) by the written mutual consent of the parties hereto, (ii) automatically and without any required action of the parties hereto immediately following the Effective Time (as defined in the Merger Agreement), (iii) upon termination of the Merger Agreement in accordance with its terms (provided, however, that if such termination is effected under Section 7.1(d) as a result of the failure of the stockholders of Baker to approve the Merger Agreement, termination of this Agreement will alternatively occur on the date that is 90 days after such termination of the Merger Agreement) or (iv) unless otherwise determined by BRS, on May 31, 2001. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

3.4. Survival of Representations and Warranties. The representations and warranties set forth in Article II will survive the execution and delivery of this Agreement, the Closing Date and the consummation of the transactions contemplated hereby, regardless of any investigation made by a Stockholder or on

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its behalf. No other representations, warranties or covenants set forth herein shall so survive.

3.5. Assignment; Successors and Assigns; Entire Agreement. This Agreement may not be assigned by any party by operation of law or otherwise without the prior written consent of the Company. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, and this Agreement is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

3.6. Severability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected except to the extent necessary to delete such illegal, invalid or unenforceable provision unless that provision held invalid shall substantially impair the benefits of the remaining portions of this Agreement.

3.7. Notices. All notices provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail, telex, fax or air courier guaranteeing overnight delivery to the other party at the following addresses (or at such other address as shall be given in writing by any party to the others):

If to the Company:

c/o Bruckmann, Rosser, Sherrill & Co., L.P.
126 East 56th Street, 29th Floor
New York, New York 10022
Attention: Harold O. Rosser, II
Fax: 212-521-3799

with a copy to:

Dechert
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.
David S. Denious, Esq.
Fax: 215-994-2222

If to any Stockholder to its address as listed on the signature pages hereof.

All such notices shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if faxed; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

3.8. Governing Law. Except to the extent the provisions of the Delaware General Corporation Law apply mandatorily hereto, the validity, performance, construction and effect of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of New York, regardless of the laws that might otherwise govern under principles of conflicts of law applicable thereto.

3.9. Headings. The headings in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they

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affect its meaning,

construction or effect. Unless otherwise specified, section references herein refer to sections of this Agreement and schedules and exhibits refer to schedules and exhibits attached hereto.

3.10. Counterparts. This Agreement may be executed in two or more counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

3.11. Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

3.12. Remedies. In the event of a breach or a threatened breach by any party to this Agreement of its obligations under this Agreement, any party injured or to be injured by such breach, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The parties agree that the provisions of this Agreement shall be specifically enforceable, it being agreed by the parties that the remedy at law, including monetary damages, for breach of such provision will be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Accordingly, if the Company should institute an action or proceeding seeking specific enforcement of the provisions hereof, each Stockholder hereby waives the claim or defense that the Company, as the case may be, has an adequate remedy at law and hereby agrees not to assert in any such action or proceeding the claim or defense that such a remedy at law exists. Each Stockholder further agrees to waive any requirements for the securing or posting of any bond in connection with obtaining any such equitable relief.

3.13. Pronouns. Whenever the context may require, any pronouns used herein shall be deemed also to include the corresponding neuter, masculine or feminine forms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MANHATTAN ACQUISITION CORP.

By: /s/ Harold O. Rosser

Name: Harold O. Rosser
Title: President

"STOCKHOLDERS"

/s/ Laurence B. Mindel

Laurence B. Mindel

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Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925

/s/ Michael J. Hislop

Michael J. Hislop

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925

/s/ Michael J. Beatrice

Michael J. Beatrice

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925

/s/ Peter P. Hausback

Peter P. Hausback

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925

9

/s/ F. Warren Hellman

F. Warren Hellman

Address: Hellman & Friedman, L.L.C.
One Maritime Plaza, 12th Floor
San Francisco, CA 94111

/s/ Dean A. Cortopassi

Dean A. Cortopassi

Address: San Tomo Group
11292 N. Alpine Rd.
Stockton, CA 95212

/s/ Joan A. Cortopassi

Joan A. Cortopassi

Address: San Tomo Group
11292 N. Alpine Rd.
Stockton, CA 95212

/s/ Donald G. Lenz

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Donald G. Lenz

Address: San Tomo Group
11292 N. Alpine Rd.
Stockton, CA 95212

/s/ W. Scott Hedrick

W. Scott Hedrick

Address: InterWest Partners
3000 Sand Hill Road
Bldg. Three, Ste. 255
Menlo Park, CA 94025

10

/s/ Carlo Veggetti

Carlo Veggetti

Address: c/o Mrs. Flavia Alberti
C.S. P.B.
Casella Postale 2836
CH-6900 Lugano
Suisse

Mindel Family Trust

By: /s/ Laurence B. Mindel

Name: Laurence B. Mindel
Title: Trustee

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925
Attn: Laurence B. Mindel

Trust created for the benefit of
Laurence B. Mindel and his family

By: /s/ Laurence B. Mindel

Name: Laurence B. Mindel
Title: Trustee

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925
Attn: Laurence B. Mindel

11

The Mindel Living Trust

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By: /s/ Laurence B. Mindel

Name: Laurence B. Mindel
Title: Trustee

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925
Attn: Laurence B. Mindel

FWH Associates

By: /s/ F. Warren Hellman
---
its general partner
Name: F. Warren Hellman
Title: General Partner

Address: Hellman & Friedman, L.L.C.
One Maritime Plaza, 12th Floor
San Francisco, CA 94111
Attn: F. Warren Hellman

Marco H. Hellman Trust "B"

By: /s/ F. Warren Hellman

Name: F. Warren Hellman
Title: Trustee

Address: Hellman & Friedman, L.L.C.
One Maritime Plaza, 12th Floor
San Francisco, CA 94111
Attn: F. Warren Hellman

Stanislaus Food Products Company

By: /s/ Dean A. Cortopassi

Name: Dean A. Cortopassi
Title: CEO

Address: San Tomo Group
11292 N. Alpine Rd.
Stockton, CA 95212
Attn: Dean A. Cortopassi

Capecchio Foundation

By: /s/ Dean A. Cortopassi

Name: Dean A. Cortopassi
Title: President

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Address: San Tomo Group
11292 N. Alpine Rd.
Stockton, CA 95212
Attn: Dean A. Cortopassi

13

Stefi Invest Trade Inc.

By: /s/ Carlo Veggetti

Name: Carlo Veggetti
Title:

Address: c/o Jean-Paul Legrand Avocat
Attorney at law
Avenue Dumas 37-39
Case Postal 126
CH -- 1211 Geneve 25e
Swisse

14

Schedule I

Securities Owned

<TABLE>
<CAPTION>

Name of Stockholder	Shares of Baker Common Stock Beneficially Owned*	Number of Shares of Baker Common Stock Purchasable under Options Beneficially Owned**
<S>	<C>	<C>
Laurence B. Mindel(1)	679,536	112,496
Mindel Family Trust(1)	7,195	0
Trust created for the benefit of Laurence B. Mindel and his family(1)	9,157	0
The Mindel Living Trust(1)	663,184	0
Michael J. Hislop	0	684,056
Michael J. Beatrice	0	130,610
Peter P. Hausback	0	43,560
F. Warren Hellman(2)	137,854	10,500
FWH Associates(2)	125,802	0
Marco H. Hellman Trust "B"(2)	2,052	0
Dean A. Cortopassi(3)	117,794	12,000
Joan A. Cortopassi(3)	60,000	0
Donald G. Lenz(3)	60,000	0
Stanislaus Food Products Company(3)	57,794	0
Capecchio Foundation(3)	60,000	0
W. Scott Hedrick	14,879	7,500
Carlo Veggetti(4)	78,359	0
Stefi Invest Trade Inc.(4)	78,359	0

</TABLE>

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(1) Includes 7,195 shares held of record by the Mindel Family Trust, 9,157 shares held of record by a Trust created for the benefit of Laurence B. Mindel and his family, and 663,184 shares held by The Mindel Living Trust. Mr. Mindel represents and warrants that he is a trustee of these three trusts.

(2) Includes 125,802 shares held of record by FWH Associates, a California limited partnership. Mr. Hellman represents and warrants that he is a general partner of FWH Associates. Also includes 2,052 shares held of record by Marco H. Hellman Trust "B".

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* Exclusive of shares purchasable under options set forth in the adjacent column.

** Exclusive of any vesting limitations.

(3) Includes 57,794 shares held of record by Stanislaus Food Products Company, a California corporation. Mr. Cortopassi represents and warrants that he is Chief Executive Officer and a controlling stockholder of Stanislaus Food Products Company. Includes 60,000 shares held of record by the Capecchio Foundation, a California not-for-profit corporation, the Board of Directors of which is comprised of Mr. Cortopassi, Mrs. Cortopassi and Mr. Lenz.

(4) 78,359 shares are held of record by Stefi Invest Trade Inc., a company organized under the laws of the British Virgin Islands. Mr. Veggetti represents and warrants that he is the sole director and sole stockholder of Stefi Invest Trade Inc.

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EXHIBIT (d)(3)

SECURITIES PURCHASE AND CONTRIBUTION AGREEMENT

THIS IS A SECURITIES PURCHASE AND CONTRIBUTION AGREEMENT dated as of November 15, 2000, amended as of January 9, 2001, and further amended as of May 1, 2001 (as so amended, the "Agreement"), by and among Manhattan Acquisition Corp., a Delaware corporation (the "Company"), Bruckmann, Rosser, Sherrill & Co. II, L.P., a Delaware limited partnership ("BRS"), and the entities and individuals other than BRS set forth on Schedule I hereto, as amended from time to time (the "Baker Investors" and, together with BRS, the "Investors"). As used herein, the term "Management Investor" means any of the Baker Investors so designated as a Management Investor on Schedule I hereto.

Background

A. The Investors as a group desire to invest an aggregate of $38 million in the Company and/or the Surviving Corporation referred to below.

B. The Investors entered into the Securities Purchase and Contribution Agreement, dated as of November 15, 2000 and amended as of January 9, 2001 (as so amended the "First Amended Agreement"), in connection with the execution and delivery of the Agreement and Plan of Merger, dated as of November 15, 2000 and amended as of January 9, 2001 (as so amended, the "First Amended Merger Agreement"), between the Company and Il Fornaio (America) Corporation, a Delaware corporation ("Baker"). The parties to the First Amended Agreement desire to amend certain provisions of the First Amended Agreement. In connection with the parties' entry into this Agreement, the parties to the First Amended Merger Agreement are entering into an amendment thereof (as so amended and as it may hereafter be amended, the "Merger Agreement") to amend certain terms and provisions thereto. Pursuant to the Merger Agreement, the Company will be merged with and into Baker (the "Merger"), and Baker will be the surviving corporation in such Merger (the "Surviving Corporation").

C. Subject to the terms hereof, the investment will be effected (i) in the case of any Baker Investor, through such Investor's exchange of shares of Baker Common Stock (as defined herein) for shares of Baker Preferred Stock (as defined herein), which securities will remain outstanding as, or be converted in the Merger into, Surviving Corporation Securities (as defined herein) or the cancellation of Baker Options (as defined herein) in exchange for options to purchase Surviving Corporation Securities, or through the purchase of Surviving Corporation Securities or (iii) in the case of any Investor, through the purchase of shares of the Company, which securities will be converted in the Merger into Surviving Corporation Securities, as provided in the Merger Agreement.

Terms

In consideration of the mutual representations, warranties and covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

PURCHASE OF SECURITIES

1.1. Rollover of Shares and Options by Baker Investors.

(a) Immediately prior to the Effective Time, each of the Baker Investors who owns or controls shares of common stock, par value $.001 per share ("Baker Common Stock"), of Baker will exchange the number of shares of Baker Common Stock set forth opposite his name on Schedule II hereto for the number of shares of Series A Preferred Stock, par value $.001 per share ("Baker Series A Preferred Stock"), of Baker, Series B Preferred Stock, par value $.001 per share ("Baker Series B Preferred Stock"), of Baker and Series C Preferred Stock, par value $.001 per share ("Baker Series C Preferred Stock", and together with the

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Baker Series A Preferred Stock and the Baker Series B Preferred Stock, the "Baker Preferred Stock"), of Baker (such Baker Preferred Stock having the respective terms, rights and preferences set forth in Schedule VI hereto), in each case as set forth opposite his name on Schedule II hereto.

(b) Upon the Effective Time, each of the Baker Investors who owns options to purchase shares of Baker Common Stock ("Baker Options") will accept the cancellation of the number of Baker Options set forth opposite his name on Schedule III hereto having the fair market value set forth opposite his name on Schedule III hereto in exchange for (i) an option ("Surviving Corporation Series A Option") to purchase the number of shares of Series A Cumulative Compounding Preferred Stock, par value $.001 per share ("Surviving Corporation Series A Preferred Stock") of the Surviving Corporation (such series having the same terms, rights and preferences of the Baker Series A Preferred Stock) set forth opposite his name on Schedule III hereto and (ii) an option ("Surviving Corporation Series B Option") to purchase the number of shares of Series B Cumulative Compounding Preferred Stock, par value $.001 per share ("Surviving Corporation Series B Preferred Stock") of the Surviving Corporation (such series having the same terms, rights and preferences of the Baker Series B Preferred Stock) set forth opposite his name on Schedule III hereto; provided, however, that the number of shares subject to any option canceled, and the number of shares subject to any substitute options received, may be varied pursuant to the terms of footnote 1 to Schedule III hereto. It is agreed that the "fair market value" of an option will equal the difference between $12.00 and the exercise price times the number of shares for which such option is exercisable. The Surviving Corporation Series A Options and the Surviving Corporation Series B Options issued to Baker Investors, as provided in this Section 1.1(b), shall have the same fair market value, term and other material economic terms as the Baker Options that have been cancelled and, reflecting the acceleration of vesting occurring upon the Merger under the terms of the Baker Options that have been cancelled, shall be fully vested.

(c) Upon the Effective Time, each of the Baker Investors set forth on Schedule IV hereto will purchase, with cash received in consideration for the cancellation pursuant to Section 1.11 of the Merger Agreement of any Baker Options held by each of the

Baker Investors set forth on Schedule IV hereto that are not cancelled in exchange for substitute options, pursuant to Section 1.1(b) of this Agreement, the number of shares of Class A Common Stock, par value $.001 ("Surviving Corporation Common Stock", and together with the Surviving Corporation Series A Preferred Stock, the Surviving Corporation Series B Preferred Stock, the Surviving Corporation Series A Options and the Surviving Corporation Series B Options, the "Surviving Corporation Securities")(1) of the Surviving Corporation set forth opposite his name on Schedule IV hereto for the purchase price set forth opposite his name on Schedule IV hereto.

1.2. Purchase By Investors Other than Baker Investors. Subject to Section 2.2, prior to the Effective Time, BRS will purchase equity securities of the Company ("Company Securities") for the aggregate purchase price set forth on Schedule V hereto, which Company Securities will be converted upon the Effective Time into Surviving Corporation Series A Preferred Stock, Surviving Corporation Series B Preferred Stock and Surviving Corporation Common Stock as set forth on Schedule V hereto.

1.3. Closing. The closing of the purchase and sale of the Baker Preferred Stock and the Company Securities contemplated hereby (the "Closing") will take place immediately preceding the closing of the Merger as determined by Section 1.12 of the Merger Agreement or on such other date as may be determined by the Company upon not less than 5 days prior written notice to the Investors (the date such Closing occurs, the "Closing Date"). At the Closing, each of the Investors will execute a Securities Holders Agreement (the "Securities Holders Agreement") and a Registration Rights Agreement (the "Registration Rights Agreement") having the terms set forth on Schedule VII hereto.

1.4. Baker Securities. In order to facilitate any cancellation or exchange of any shares of Baker Common Stock and any Baker Options by the Baker Investors contemplated hereby, if requested by the Company, each Baker Investor shall deliver within five business days after such request one or more

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certificates representing all of the shares of Baker Common Stock and any granting instruments with respect to all of the Baker Options in either case to be cancelled or exchanged in accordance with this Agreement, together with stock powers or other instruments duly endorsed or otherwise sufficient for transfer of such certificates or instruments, as the case may be. The Company shall hold such instruments in escrow pending the Closing Date. On the Closing Date, the Company is authorized to present such instruments to the transfer agent for Baker and instruct the transfer agent to register the shares of Baker Common Stock in the name of the Company or its designee (or, in the case of the certificates representing Baker Options, to mark and record such options as cancelled, as contemplated by the Merger Agreement).

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(1) The Surviving Corporation's Certificate of Incorporation will be substantially in the form set forth on Exhibit A to the Merger Agreement.

1.5. Representations, Warranties and Covenants of the Management Investors, the Baker Investors and the Company.

(a) Each of the Management Investors, the Baker Investors and the Company shall use reasonable efforts to cooperate to enhance the tax efficiency of the purchase of securities contemplated hereby and to achieve treatment of the transactions contemplated by the Merger Agreement as a recapitalization for financial reporting purposes.

(b) Each of the Management Investors and the Baker Investors represent and warrant to the Company that no registration rights that may pertain to any of the securities of Baker that are tendered by such Management Investor or such Baker Investor, as the case may be, as consideration under this Agreement shall survive the Closing and no such registration rights shall pertain to any of the Baker Preferred Stock or Surviving Corporation Securities.

(c) Each of the Management Investors and the Baker Investors acknowledges that (i) an affiliate of BRS will be receiving from the Surviving Corporation following the Merger a per annum management fee equal to the greater of (x) $150,000 or (y) 1% of the Company's or the Surviving Corporation's EBITDA (as such term is defined in the Company's or the Surviving Corporation's senior credit agreement), (ii) the Company or the Surviving Corporation may create a stock option plan or other employee incentive program, with the number and type of securities subject to any such plan to be determined by BRS and (iii) BRS or its designated affiliate will receive from Baker a closing fee equal to $1,000,000 at the Effective Time.

(d) Each of the Baker Investors represents and warrants that he has sufficient control over the shares of Baker Common Stock set forth opposite his name on Schedule I hereto to consummate the transactions to be consummated by him in this Agreement.

(e) Each of the Baker Investors hereby waives any rights of appraisal or rights to dissent from the Merger.

(f) Each of the Baker Investors (i) represents and warrants that the purchase of securities contemplated hereby is being made by such Baker Investor for investment, and not with a view to any distribution thereof that would violate the Securities Act of 1933, as amended (the "Securities Act"), or the applicable state securities laws of any state having jurisdiction over any such distribution and (ii) shall not distribute the securities purchased hereby in violation of the Securities Act or the applicable securities laws of any state having jurisdiction over any such distribution.

1.6. Conditions to Investor's Obligations. The obligation of each Investor to consummate the transactions contemplated hereby is subject to the satisfaction on or prior to the Closing of the following conditions:

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(a) The Company shall have delivered to each of the Investors which is purchasing Company Securities hereunder certificates for the Company Securities so purchased.

(b) No preliminary or permanent injunction or order, decree or ruling of any nature issued by any court or governmental agency of competent jurisdiction, nor any statute, rule, regulation or executive order promulgated or enacted by any United States federal, state or local governmental authority, shall be in effect, that would prevent the consummation of the transactions contemplated by this Agreement or the Merger Agreement.

(c) All of the conditions to effecting the Merger under Article VI of the Merger Agreement (including the debt financing condition set forth in Section 6.2(e), but excluding the conditions set forth in Section 6.3) shall have been fulfilled or waived in accordance with the Merger Agreement; provided, however, that Section 6.2(e) of the Merger Agreement shall be deemed to have been satisfied if the debt financing referred to therein is not available solely because of the refusal or inability of the Investors to provide in the aggregate $38,000,000 of equity financing to the Company (including by delivery of Baker Common Stock or Baker Options as permitted by Section 1.1(b)).

1.7. Conditions to the Company's Obligations. The obligations of the Company to issue and sell the Company Securities or Surviving Corporation Securities, as the case may be, to each Investor as set forth herein at the Closing are subject to the satisfaction on or prior to the Closing of the following conditions:

(a) Each of the Investors purchasing Company Securities or Surviving Corporation Securities, as the case may be, hereunder shall have delivered the consideration provided for herein for the securities to be acquired by him or it pursuant to this Article I.

(b) No preliminary or permanent injunction or order, decree or ruling of any nature issued by any court or governmental agency of competent jurisdiction, nor any statute, rule, regulation or executive order promulgated or enacted by any United States federal, state or local governmental authority, shall be in effect, that would prevent the consummation of the transactions contemplated by this Agreement or the Merger Agreement.

(c) All of the conditions to effecting the Merger under Article VI of the Merger Agreement (including the debt financing condition set forth in Section 6.2(e), but excluding the conditions set forth in Section 6.3) shall have been fulfilled or waived in accordance with the Merger Agreement; provided, however, that Section 6.2(e) of the Merger Agreement shall be deemed to have been satisfied if the debt financing referred to therein is not available solely because of the refusal or inability of the Investors to provide in the aggregate $38,000,000 of equity financing to the Company (including by delivery of Baker Common Stock or Baker Options as permitted by Section 1.1(b)).

(d) Each of the Investors shall have executed the Securities Holders Agreement and the Registration Rights Agreement.

ARTICLE II

MISCELLANEOUS

2.1. Definitions. Capitalized terms used but not otherwise defined in this Agreement have the meanings assigned to such terms in the Merger Agreement.

2.2. Amendment and Modification.

(a) (i) It is understood and agreed that the Company shall have the right, following execution of this Agreement, to amend this Agreement by adding additional parties to this Agreement (and Schedule I hereto) who desire to receive shares of the Surviving Corporation pursuant to the Merger upon not less than three business days' prior written notice delivered to Baker, and, effective upon any such amendment, such additional parties will be considered "Investors" for all purposes of this Agreement; provided, however, that no such

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party will be deemed to be a "Baker Investor" unless such party owns shares of Baker Common Stock or Baker Options on or after the date hereof (but prior to the Closing), and no such party will be deemed to be a "Management Investor" unless such party (i) is an employee or director of Baker on or after the date hereof (but prior to the Closing) and (ii) owns shares of Baker Common Stock or Baker Options on or after the date hereof (but prior to the Closing). In the event any such party is added as an Investor under this Agreement, the aggregate amount reflected on Schedule V as being invested in the Company by BRS will be reduced by the amount proposed to be invested or rolled over by such additional Investor, with such reduction being allocated from and among the types of Surviving Corporation Securities as agreed between BRS and such party, and Schedule V will be deemed to have been amended accordingly. Notwithstanding the immediately preceding sentence, BRS will be permitted to reduce its investment in Company Securities or Surviving Corporation Common Stock, as the case may be, in amounts to be agreed between BRS and certain Management Investors (other than Messrs. Hellman, Cortopassi and Hedrick) and allocate the amount of such reduction to such Management Investors as agreed between BRS and such Management Investors.

(ii) It is understood and agreed that the Company (but only with the prior written consent of the party being removed) shall have the right, following execution of this Agreement, to amend this Agreement by removing parties from this Agreement (and Schedule I hereto) upon not less than three business days' prior written notice delivered to Baker, and, effective upon any such amendment, such removed parties will no longer be considered "Investors" for all purposes of this Agreement. In the event any such party is removed as an Investor under this Agreement, the aggregate amount proposed to have been invested or rolled over by such removed party will be added to the aggregate amount being invested in the Company by BRS or its designee, with such additional amount being allocated to and among the types of Surviving Corporation Securities in the sole discretion of BRS, and the appropriate schedule to this Agreement will be deemed to have been amended accordingly.

(b) Except for amendments contemplated by paragraph (a)(i) above, which may be unilaterally effected by the Company in its discretion and amendments

contemplated by paragraph (a)(ii) above, which may be effected as described therein, any of the provisions of this Agreement may be amended or modified pursuant to a writing executed by the Company and those Investors who together will be purchasing a majority of the equity interests of the Company to be purchased hereunder (based on the total dollar amounts committed by such Investors as reflected on Schedule I); provided, however, that (i) Sections 1.6, 2.3, 2.2(b)(i), 2.2(b)(ii) and 2.12 cannot be amended in a manner adverse in any material respect to the Management Investors, and (ii) no amendment of the terms set forth on Schedule VI or Schedule VII that adversely affects the Management Investors in a manner different from other Investors will be effective, in either case without the written consent of those Management Investors (as such group is constituted on the date of this Agreement) who will be purchasing a majority of the equity interests of the Company to be purchased hereunder by the Management Investors (based on the total dollar amounts committed by such Management Investors as reflected on Schedule I).

(c) Any party hereto may (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties of the other parties hereto contained herein or in any document delivered pursuant hereto and (iii) waive compliance by the other parties hereto with any of their agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only as against such party and only if set forth in an instrument in writing signed by such party.

(d) The failure of any party hereto to exercise any right, power, or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

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2.3. Termination. This Agreement will terminate and be of no further force and effect (i) by the written mutual consent of the parties hereto, (ii) upon termination of the Merger Agreement in accordance with its terms or (iii) unless otherwise determined by BRS, on June 30, 2001 or, if the Stockholders Meeting has not occurred by June 22, 2001, the earlier of (x) the sixth business day after the Stockholders Meeting and (y) July 15, 2001. No such termination of this Agreement shall relieve any party hereto from any liability for any breach of this Agreement prior to termination.

2.4. Assignment; Successors and Assigns; Entire Agreement. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, executors and administrators, but no party hereunder may assign its rights or obligations hereunder without the prior written consent of BRS. This Agreement constitutes the entire agreement and supersedes any and all other prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof, including the Original Agreement, and this Agreement is not

intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

2.5. Severability. In the event that any provision of this Agreement or the application of any provision hereof is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected except to the extent necessary to delete such illegal, invalid or unenforceable provision unless that provision held invalid shall substantially impair the benefits of the remaining portions of this Agreement.

2.6. Notices. All notices provided for or permitted hereunder shall be made in writing by hand-delivery, registered or certified first-class mail, telex, fax or air courier guaranteeing overnight delivery to the other party at the following addresses (or at such other address as shall be given in writing by any party to the others):

If to the Company:

c/o Bruckmann, Rosser, Sherrill & Co., L.P.
126 East 56th Street, 29th Floor
New York, New York 10022
Attention: Harold O. Rosser, II
Fax: 212-521-3799

with a copy to:

Dechert
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.
David S. Denious, Esq.
Fax: 215-994-2222

If to any Investor to its address as listed on the signature pages hereof.

All such notices shall be deemed to have been duly given: when delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if faxed; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

2.7. Governing Law. The validity, performance, construction and effect of this Agreement shall be governed by and construed in accordance with the substantive laws of the State of New York, regardless of the laws that might otherwise govern under principles of conflicts of law applicable thereto.

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2.8. Headings. The headings in this Agreement are for convenience of reference only and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect. Unless otherwise specified, section references herein refer to sections of this Agreement and schedules and exhibits refer to schedules and exhibits attached hereto.

2.9. Counterparts. This Agreement may be executed in two or more counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

2.10. Further Assurances. Each party shall cooperate and take such action as may be reasonably requested by another party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

2.11. Pronouns. Whenever the context may require, any pronouns used herein shall be deemed also to include the corresponding neuter, masculine or feminine forms.

2.12. Maximum Liability. The maximum liability of any Investor for a breach of this Agreement shall be limited to the amount set forth next to its name on Schedule I hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MANHATTAN ACQUISITION CORP.

By: /s/ Harold O. Rosser

Name: Harold O. Rosser
Title: President

BRUCKMANN, ROSSER, SHERRILL & CO. II, L.P.
By BRSE, L.L.C., its general partner

By: /s/ Harold O. Rosser

Name: Harold O. Rosser
Title: Managing Director

/s/ Laurence B. Mindel

Laurence B. Mindel

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925

/s/ Michael J. Hislop

Michael J. Hislop

Address: Il Fornaio
770 Tamalpais Drive, #400
Corte Madera, CA 94925

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/s/ F. Warren Hellman

F. Warren Hellman

Address: Hellman & Friedman, L.L.C.
One Maritime Plaza, 12th Floor
San Francisco, CA 94111

/s/ Dean A. Cortopassi

Dean A. Cortopassi

Address: San Tomo Group
11292 N. Alpine Rd.
Stockton, CA 95212

/s/ W. Scott Hedrick

W. Scott Hedrick

Address: InterWest Partners
3000 Sand Hill Road
Bldg. Three Ste. 255
Menlo Park, CA 94025

/s/ Carlo Veggetti

Carlo Veggetti

Address: c/o Mrs. Flavia Alberti
C.S. P.B.
Casella Postale 2836
CH-6900 Lugano
Suisse

SCHEDULE I

Investors and Purchase Price

<TABLE>
<CAPTION>

Name of Investor	Purchase Price
<S>	<C>
Bruckmann, Rosser, Sherrill & Co. II, L.P.(1)	$30,236,242
Laurence B. Mindel(2)(3)	$ 1,200,000
Michael J. Hislop(2)(3)(4)	$ 2,216,251
F. Warren Hellman(2)(3)	$ 1,710,873
Dean A. Cortopassi(2)(3)	$ 1,480,653
W. Scott Hedrick(2)(3)	$ 215,673
Carlo Veggetti(2)	$ 940,308

</TABLE>

(1) Includes $2,000,000 to be invested by BancBoston

(2) Denotes Baker Investor

(3) Denotes Management Investor

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(4) Denotes employee investor for purposes of Schedule VII

SCHEDULE II

Section 1.1(a)

<TABLE>
<CAPTION>

Name of Baker Investor	Shares of Baker Common Stock Being Exchanged	Shares of Baker Series A Preferred Stock Being Received	Shares of Baker Series B Preferred Stock Being Received	Shares of Baker Series C Preferred Stock Being Received
<S>	<C>	<C>	<C>	<C>
Laurence B. Mindel	71,597	47,368	11,071	13,158
Michael J. Hislop	24,301	0	0	24,301
F. Warren Hellman	137,854	67,534	51,560	18,760
Dean A. Cortopassi	117,794	58,447	43,112	16,235
W. Scott Hedrick	14,879	8,513	4,001	2,365
Carlo Veggetti	78,359	37,117	30,931	10,310

</TABLE>

SCHEDULE III

Section 1.1(b)

<TABLE>
<CAPTION>

Name of Baker Investor	Baker Options Being Exchanged	Value of Options Being Exchanged	Number of Shares of Surviving Corporation Series A Preferred Stock for which the Surviving Corporation Series A Option is Exercisable(2)	Number of Shares of Surviving Corporation Series B Preferred Stock for which the Surviving Corporation Series B Option is Exercisable(2)	Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
Laurence B. Mindel(1)	81,514	$340,833	0	81,514	$7.82
Michael J. Hislop(1)	256,619	$1,924,639	139,974	116,645	$4.50
F. Warren Hellman	10,500	$56,625	0	10,500	$6.61
Dean A. Cortopassi	12,000	$67,125	0	12,000	$6.41
W. Scott Hedrick	7,500	$37,125	0	7,500	$7.05

</TABLE>

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(1) The number of options being exchanged, but not the aggregate value, may vary, which would cause (i) the number of shares of Surviving Corporation Series A Preferred Stock for which the Surviving Corporation Series A Option is exercisable and the number of shares of Surviving Corporation Series B Preferred Stock for which the Surviving Corporation Series B Option is exercisable to be adjusted so that the number of options being exchanged and the number of shares for which the options to be received are exercisable would maintain a ratio of 1:1 and (ii) the average exercise price set forth above to be adjusted so that it would

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represent a weighted average of the exercise prices of the options actually being exchanged.

(2) A right to payment from the Surviving Corporation shall accrue with respect to each of the Surviving Corporation Series A Options and the Surviving Corporation Series B Options (collectively, "Options") (such accrual, the "Special Accrual") at a rate equal to the dividend rate (as set forth for the applicable series of preferred stock in the certificate of incorporation of the Surviving Corporation) per share of the applicable series of preferred stock of the Surviving Corporation (an "Option Share") issuable upon exercise of such Option on the amount equal to (i) the Liquidation Preference (as defined in the certificate of incorporation of the Surviving Corporation) for each such Option Share less (ii) the exercise price of such Option, in each case as in effect from time to time. The Special Accrual will accrue at the same time and in the same manner as the dividends which accrue after the date hereof on each outstanding share of Surviving Corporation Series A Preferred Stock or of Series B Preferred Stock, as the case may be, as set forth in the certificate of incorporation of the Surviving Corporation. Subject to the terms of any loan, indenture, or other credit agreement for indebtedness for borrowed money incurred by the Surviving Corporation, the Special Accrual for each Option shall be paid to the holder upon the exercise of such Option, such payment to be made, at the option of the Surviving Corporation, in the form of cash or a reduction in the exercise price otherwise payable by the holder to the Surviving Corporation, in connection with such exercise. For the avoidance of doubt, the amount of the Special Accrual on any Option shall not exceed the amount theretofore paid on the underlying share of preferred stock.

SCHEDULE IV

Section 1.1(c)

<TABLE>
<CAPTION>

Name of Baker Investor	Shares of Surviving Corporation Common Stock Being Purchased	Aggregate Purchase Price
<S>	<C>	<C>
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</TABLE>

SCHEDULE V

Section 1.2

<TABLE>
<CAPTION>

Name of Other Investors	Shares of Surviving Corporation Series A Preferred Stock Received upon Conversion of Certain Company Securities Being Purchased	Shares of Surviving Corporation Series B Preferred Stock Received upon Conversion of Certain Company Securities Being Purchased	Shares of Surviving Corporation Common Stock Received upon Conversion of Certain Company Securities Being Purchased	Aggregate Purchase Price
<S>	<C>	<C>	<C>	<C>
BRS(1)	1,193,536	994,613	331,538	30,236,242

</TABLE>

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(1) It is currently expected that, subject to the satisfaction of certain conditions, BancBoston Capital, Inc. or its affiliate will invest $2,000,000 in the Surviving Corporation, which investment would consist of 78,947 shares of

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Surviving Corporation Series A Preferred, 65,789 shares of Surviving Corporation Series B Preferred and 21,930 shares of Surviving Corporation Common; BancBoston Capital, Inc. will have the right to receive shares of Class B Common Stock of the Surviving Corporation, par value $.001 per share, (i.e., non-vesting shares, except as required by law) in lieu of some or all shares of Surviving Corporation Common. If such investment is completed, BRS' holdings in the Surviving Corporation, which arise upon conversion of the securities listed above in the Merger, and its purchase price therefor, would be reduced accordingly.

SCHEDULE VI

CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS OF
SERIES A 13.0% CUMULATIVE COMPOUNDING PREFERRED STOCK,
SERIES B 13.5% CUMULATIVE COMPOUNDING PREFERRED STOCK AND
SERIES C PREFERRED STOCK

OF

IL FORNAIO (AMERICA) CORPORATION

Il Fornaio (America) Corporation, a Delaware corporation (the "Corporation"), pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware, does hereby make this Certificate of Designation under the corporate seal of the Corporation and does hereby state and certify that pursuant to the authority expressly vested in the Board of Directors of the Corporation by the Certificate of Incorporation, the Board of Directors has duly adopted the following resolutions:

RESOLVED, that pursuant to Article IV of the Certificate of Incorporation, as amended (which authorizes 5,000,000 shares of Preferred Stock, par value $.00l per share, none of which shares is issued and outstanding), the Board of Directors hereby fixes the designations and preferences and relative participating, optional and other special rights, qualifications, limitations and restrictions of three series of Preferred Stock, consisting of 2,000,000 shares to be designated Series A 13.0% Cumulative Compounding Preferred Stock and 1,500,000 shares to be designated Series B 13.5% Cumulative Compounding Preferred Stock and 1,000,000 shares to be designated Series C Preferred Stock.

RESOLVED, that the holders of Series A 13.0% Cumulative Compounding Preferred Stock, Series B 13.5% Cumulative Compounding Preferred Stock and Series C Preferred Stock, except as otherwise provided by law, shall have and possess the following rights and preferences. Certain capitalized terms used in this Certificate of Designation are defined in paragraph D hereof.

A. Series A 13.0% Cumulative Compounding Preferred Stock.

1. Designation of Series, Number of Shares. The first series of Preferred Stock shall be designated as Series A 13.0% Cumulative Compounding Preferred Stock ("Series A Preferred Stock"), and the number of shares which shall constitute such series shall be 2,000,000. The par value of Series A Preferred Stock shall be $.001 per share.

2. Rank. With respect to dividend rights and rights on liquidation, winding up and dissolution of the Corporation, Series A Preferred Stock shall rank (a) senior to (i) all classes of Common Stock of the Corporation; (ii) the Series B 13.5% Cumulative Compounding Preferred Stock, par value $.001 per share ("Series B Preferred Stock"); (iii) the

Series C Preferred Stock, par value $.001 per share ("Series C Preferred Stock"); and (iv) each other class of capital stock or class or series of preferred stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank junior to Series A Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up and dissolution of the Corporation (each of the securities in clauses (i), (ii), (iii) and (iv) collectively referred to as

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"Series A Junior Securities"), (b) on a parity with each other class of capital stock or class or series of preferred stock issued by the Corporation after the date hereof the terms of which do not specifically provide that they rank junior to Series A Preferred Stock or senior to Series A Preferred Stock as to dividend distributions or distributions upon liquidation, winding up and dissolution of the Corporation (collectively referred to as "Series A Parity Securities"), and (c) junior to each other class of capital stock or other class or series of preferred stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank senior to Series A Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up and dissolution of the Corporation (collectively referred to as "Series A Senior Securities").

3. Dividends.

(a) Each Holder of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available therefor, cash dividends on each share of Series A Preferred Stock at a rate per annum equal to 13.0% of the Liquidation Preference of such share. All dividends shall be cumulative, whether or not earned or declared, and shall accrue on a daily basis from the date of issuance of Series A Preferred Stock, and shall be payable annually in arrears on each Dividend Payment Date, commencing on the first Dividend Payment Date after the date of issuance of such Series A Preferred Stock. Each dividend on Series A Preferred Stock shall be payable to the Holders of record of Series A Preferred Stock as they appear on the stock register of the Corporation on such record date as may be fixed by the Board of Directors, which record date shall not be less than ten nor more than 60 days prior to the applicable Dividend Payment Date. In the event of the repurchase of any shares of Series A Preferred Stock, dividends shall cease to accrue in respect of shares of Series A Preferred Stock on the date of their repurchase by the Corporation unless the Corporation shall have failed to pay the relevant repurchase price on the date fixed for repurchase. Notwithstanding anything to the contrary set forth above, unless and until such dividends are declared by the Board of Directors, there shall be no obligation to pay such dividends in cash; provided, that such dividends shall continue to cumulate and shall be paid at the time of repurchase, in the event of their repurchase, as provided herein if not earlier declared and paid.

(b) All dividends paid with respect to shares of Series A Preferred Stock pursuant to paragraph A(3)(a) shall be paid pro rata to the Holders entitled thereto.

(c) Dividends on account of arrears for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date, to the

Holders of record on any date as may be fixed by the Board of Directors, which date is not more than 30 days prior to the payment of such dividends.

(d) No full dividends shall be declared by the Board of Directors or paid or funds set apart for the payment of dividends or other distributions on any Series A Parity Securities for any period, and no Series A Parity Securities may be repurchased, redeemed or otherwise retired, nor may funds be set apart for such payment, unless (i) full Accumulated Dividends have been paid or set apart for such payment on the Series A Preferred Stock and Series A Parity Securities for all Dividend Periods terminating on or prior to the date of payment of such full dividends or distributions on, or such repurchase or redemption of, such Series A Parity Securities (the "Series A Parity Payment Date") and (ii) an amount equal to a prorated dividend on the Series A Preferred Stock and Series A Parity Securities at the customary dividend rates for such securities for the period from the Dividend Payment Date immediately prior to the Series A Parity Payment Date to the Series A Parity Payment Date have been paid or set apart for payment. In the event that such dividends are not paid in full or set apart for payment with respect to all outstanding shares of Series A Preferred Stock and of any Series A Parity Securities and funds available for payment of dividends shall be insufficient to permit payment in full to the holders of all such stock of the full preferential amounts to which they are then entitled, then the entire amount available for payment of dividends shall be distributed ratably among all such holders of Series A Preferred Stock and of

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any Series A Parity Securities in proportion to the full amount to which they would otherwise be respectively entitled.

(e) The Holders of Series A Preferred Stock shall be entitled to receive the dividends provided for in paragraph A(3)(a) hereof in preference to and in priority over any dividends upon any of the Series A Junior Securities, so that if at any time full Accumulated Dividends on all shares of Series A Preferred Stock then outstanding have not been paid for all Dividend Periods then elapsed and a prorated dividend on the Series A Preferred Stock at the rate aforesaid from the Dividend Payment Date immediately preceding the Series A Junior Payment Date (as defined below) to the Series A Junior Payment Date have not been paid or set aside for payment, the amount of such unpaid dividends shall be paid before any sum shall be set aside for or applied by the Corporation to the purchase, redemption or other acquisition for value of any shares of Series A Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) or any dividend or other distribution shall be paid or declared and set apart for payment on any Series A Junior Securities (the date of any such actions to be referred to as the "Series A Junior Payment Date"); provided, however, that the foregoing shall not (i) prohibit the Corporation from repurchasing shares of Series A Junior Securities from a Holder who is, or was, a director or employee of the Corporation (or an affiliate of the Corporation) and (ii) prohibit the Corporation from making dividends, other distributions, redemptions, repurchases or acquisitions in respect of Series A Junior Securities payable in Series A Junior Securities and cash in lieu of fractional shares of such Series A Junior Securities.

(f) Dividends payable on Series A Preferred Stock for any period less than one year shall be computed on the basis of a 360-day year consisting of twelve 30-day

months and the actual number of days elapsed in the period for which such dividends are payable.

(g) The Corporation shall not claim any deduction from gross income for dividends paid on Series A Preferred Stock in any Federal income tax return, claim for refund, or other statement, report or submission made to the Internal Revenue Service, and shall make any election or take any similar action to effectuate the foregoing except, in each case, if there shall be a change in law such that the Corporation may claim such dividends as deductions from gross income without affecting the ability of the Holders to claim the dividends received deduction under Section 243(a)(1) of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor provision). At the reasonable request of any Holder (and at the expense of such Holder), the Corporation shall join in the submission to the Internal Revenue Service of a request for a ruling that the dividends paid on Series A Preferred Stock shall be eligible for the dividends received deduction under Section 243(a)(1) of the Code (or any successor provision). In addition, the Corporation shall cooperate with any Holder (at the expense of such Holder) in any litigation, appeal or other proceeding relating to the eligibility for the dividends received deduction under Section 243(a)(l) of the Code (or any successor provision) of any dividends (within the meaning of Section 316(a) of the Code or any successor provision) paid on Series A Preferred Stock. To the extent possible, the principles of this paragraph A(3)(g) shall also apply with respect to state and local income taxes.

4. Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Holders of all shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders an amount in cash equal to the Liquidation Preference per share, plus an amount equal to a prorated dividend from the last Dividend Payment Date to the date fixed for liquidation, dissolution, or winding up, before any distribution is made on any Series A Junior Securities. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the application of all amounts available for payments with respect to Series A Preferred Stock and all other Series A Parity Securities would not result in payment in full of Series A Preferred Stock and such other Series A Parity Securities, the Holders of Series

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A Preferred Stock and holders of Series A Parity Securities shall share equally and ratably in any distribution of assets of the Corporation in proportion to the full Liquidation Preference to which each is entitled. After payment in full pursuant to this paragraph A(4)(a), the Holders of Series A Preferred Stock shall not be entitled to any further participation in any distribution in the event of liquidation, dissolution or winding up of the affairs of the Corporation.

(b) For the purposes of paragraph A(4)(a), neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation nor the consolidation, merger or other business combination of the Corporation with one or more corporations shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, unless

such sale, conveyance, exchange or transfer is in connection with a dissolution or winding up of the business of the Corporation; provided, however, that any consolidation or merger of the Corporation in which the Corporation is not the surviving entity shall be deemed to be a liquidation, dissolution or winding up of the business of the Corporation within the meaning of this paragraph A(4)(b) if, (i) in connection therewith, the holders of Common Stock of the Corporation receive as consideration, whether in whole or in part, for such Common Stock (1) cash, (2) notes, debentures or other evidences of indebtedness or obligations to pay cash or (3) preferred stock of the surviving entity (whether or not the surviving entity is the Corporation) which ranks on a parity with or senior to the preferred stock received by Holders of the Series A Preferred Stock with respect to liquidation or dividends or (ii) the Holders of the Series A Preferred Stock do not receive preferred stock of the surviving entity with rights, powers and preferences equal to (or more favorable to the holders than) the rights, powers and preferences of the Series A Preferred Stock.

5. Redemption. (a) The Company shall not have the right nor the power to, and the Holders shall not have the right to require the Company to, redeem any shares of Series A Preferred Stock. Notwithstanding the foregoing, this paragraph A(5) shall not prohibit the Corporation from acquiring from any Holder, with such Holder's consent, any shares of Series A Preferred Stock held by such Holder.

(b) Subject to the proviso in paragraph A(3)(e), no sum shall be set aside for or applied by the Corporation to the purchase, redemption, or other acquisition for value of any shares of Series A Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) at any time when any shares of Series A Preferred Stock or any Series A Parity Securities are outstanding unless, prior to the Corporation's setting aside or applying such sum to the purchase, redemption, or other acquisition of any shares of Series A Junior Securities, all shares of Series A Preferred Stock and Series A Parity Securities shall have been purchased or otherwise acquired for value by the Corporation (and the price in respect thereof paid or set aside for payment).

6. Voting Rights.

(a) The Holders of Series A Preferred Stock shall not be entitled or permitted to vote on any matter required or permitted to be voted upon by the shareholders of the Corporation, except as otherwise required by Delaware law or this Certificate of Designation and except that without the written consent of the Holders of a majority of the outstanding shares of Series A Preferred Stock or the vote of the Holders of a majority of the outstanding shares of Series A Preferred Stock at a meeting of the Holders of Series A Preferred Stock called for such purpose, the Corporation shall not (a) create, authorize or issue any other class or series of stock entitled to a preference prior to Series A Preferred Stock upon any dividend or distribution or any liquidation, distribution of assets, dissolution or winding up of the Corporation, or increase the authorized amount of any such other class or series, (b) except as permitted in the proviso to paragraph A(3)(e), pay or declare any dividend or distribution on any Series A Junior Securities or set aside or make available funds for a dividend or distribution on any Series A Junior

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Securities, or permit a subsidiary of the Corporation to do any of the foregoing, or (c) amend, alter or repeal any provision of the Corporation's Certificate of Incorporation so as to adversely affect the relative rights and preferences of the Series A Preferred Stock; provided, however, that any such amendment that changes the dividend payable on, or Liquidation Preference of, the Series A Preferred Stock shall require the affirmative vote of the Holder of each share of Series A Preferred Stock at a meeting of such Holders called for such purpose or the written consent of the Holder of each share of Series A Preferred Stock.

(b) In any case in which the Holders of Series A Preferred Stock shall be entitled to vote, each Holder of Series A Preferred Stock shall be entitled to one vote for each share of Series A Preferred Stock held unless otherwise required by applicable law.

7. Conversion or Exchange. The Holders of Series A Preferred Stock shall not have any rights hereunder to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of Capital Stock of the Corporation.

8. Reissuance of Series A Preferred Stock. Shares of Series A Preferred Stock which have been issued and reacquired in any manner, including shares purchased, redeemed or exchanged, shall have the status of authorized and unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock, all subject to the conditions or restrictions on issuance set forth in any resolution or resolutions adopted by the Board of Directors providing for the issuance of any series of Preferred Stock, it being understood that the Corporation may reissue shares of Series A Preferred Stock which are reacquired by the Corporation from a Holder who is, or was, an employee or director of the Corporation (or a subsidiary of the Corporation) so long as such reissued shares of Series A Preferred Stock are reissued to a person who is an employee or director of the Corporation (or a subsidiary of the Corporation) at the time of such reissue.

B. Series B 13.5% Cumulative Compounding Preferred Stock.

1. Designation of Series, Number of Shares. The second series of Preferred Stock shall be designated as Series B 13.5% Cumulative Compounding Preferred Stock ("Series B Preferred Stock"), and the number of shares which shall constitute such series shall be 1,500,000. The par value of Series B Preferred Stock shall be $.001 per share.

2. Rank. With respect to dividend rights and rights on liquidation, winding up and dissolution of the Corporation, Series B Preferred Stock shall rank (a) senior to (i) all classes of Common Stock of the Corporation; (ii) the Series C Preferred Stock; and (iii) each other class of capital stock or class or series of preferred stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank junior to Series B Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up and dissolution of the Corporation (each of the securities in clauses (i), (ii) and (iii) collectively referred to as "Series B Junior Securities"), (b) on a parity with each other class of

capital stock or class or series of preferred stock issued by the Corporation after the date hereof the terms of which do not specifically provide that they rank junior to Series B Preferred Stock or senior to Series B Preferred Stock as to dividend distributions or distributions upon liquidation, winding up and dissolution of the Corporation (collectively referred to as "Series B Parity Securities"), and (c) junior to (i) the Series A Preferred Stock and (ii) each other class of capital stock or other class or series of preferred stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank senior to Series B Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up and dissolution of the Corporation (collectively referred to as "Series B Senior Securities").

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3. Dividends.

(a) Each Holder of Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available therefor, cash dividends on each share of Series B Preferred Stock at a rate per annum equal to 13.5% of the Liquidation Preference of such share. All dividends shall be cumulative, whether or not earned or declared, and shall accrue on a daily basis from the date of issuance of Series B Preferred Stock, and shall be payable annually in arrears on each Dividend Payment Date, commencing on the first Dividend Payment Date after the date of issuance of such Series B Preferred Stock. Each dividend on Series B Preferred Stock shall be payable to the Holders of record of Series B Preferred Stock as they appear on the stock register of the Corporation on such record date as may be fixed by the Board of Directors, which record date shall not be less than ten nor more than 60 days prior to the applicable Dividend Payment Date. In the event of the repurchase of any shares of Series B Preferred Stock, dividends shall cease to accrue in respect of shares of Series B Preferred Stock on the date of their repurchase by the Corporation unless the Corporation shall have failed to pay the relevant repurchase price on the date fixed for repurchase. Notwithstanding anything to the contrary set forth above, unless and until such dividends are declared by the Board of Directors, there shall be no obligation to pay such dividends in cash; provided, that such dividends shall continue to cumulate and shall be paid at the time of repurchase, in the event of their repurchase, as provided herein if not earlier declared and paid.

(b) All dividends paid with respect to shares of Series B Preferred Stock pursuant to paragraph B(3)(a) shall be paid pro rata to the Holders entitled thereto.

(c) Dividends on account of arrears for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date, to the Holders of record on any date as may be fixed by the Board of Directors, which date is not more than 30 days prior to the payment of such dividends.

(d) No full dividends shall be declared by the Board of Directors or paid or funds set apart for the payment of dividends or other distributions on any Series B Parity Securities for any period, and no Series B Parity Securities may be repurchased, redeemed or otherwise retired, nor may funds be set apart for such payment, unless (i) full Accumulated Dividends have been paid or set apart for such payment on the Series B Preferred Stock and

Series B Parity Securities for all Dividend Periods terminating on or prior to the date of payment of such full dividends or distributions on, or such repurchase or redemption of, such Series B Parity Securities (the "Series B Parity Payment Date") and (ii) an amount equal to a prorated dividend on the Series B Preferred Stock and Series B Parity Securities at the customary dividend rates for such securities for the period from the Dividend Payment Date immediately prior to the Series B Parity Payment Date to the Series B Parity Payment Date have been paid or set apart for payment. In the event that such dividends are not paid in full or set apart for payment with respect to all outstanding shares of Series B Preferred Stock and of any Series B Parity Securities and funds available for payment of dividends shall be insufficient to permit payment in full to the holders of all such stock of the full preferential amounts to which they are then entitled, then the entire amount available for payment of dividends shall be distributed ratably among all such holders of Series B Preferred Stock and of any Series B Parity Securities in proportion to the full amount to which they would otherwise be respectively entitled.

(e) The Holders of Series B Preferred Stock shall be entitled to receive the dividends provided for in paragraph B(3)(a) hereof in preference to and in priority over any dividends upon any of the Series B Junior Securities, so that if at any time full Accumulated Dividends on all shares of Series B Preferred Stock then outstanding have not been paid for all Dividend Periods then elapsed and a prorated dividend on the Series B Preferred Stock at the rate aforesaid from the Dividend Payment Date immediately preceding the Series B Junior Payment Date (as defined below) to the Series B Junior Payment Date have not been paid or set aside for payment, the amount of such unpaid dividends shall be paid before any sum shall be set aside for or applied by the

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Corporation to the purchase, redemption or other acquisition for value of any shares of Series B Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) or any dividend or other distribution shall be paid or declared and set apart for payment on any Series B Junior Securities (the date of any such actions to be referred to as the "Series B Junior Payment Date"); provided, however, that the foregoing shall not (i) prohibit the Corporation from repurchasing shares of Series B Junior Securities from a Holder who is, or was, a director or employee of the Corporation (or an affiliate of the Corporation) and (ii) prohibit the Corporation from making dividends, other distributions, redemptions, repurchases or acquisitions in respect of Series B Junior Securities payable in Series B Junior Securities and cash in lieu of fractional shares of such Series B Junior Securities.

(f) Dividends payable on Series B Preferred Stock for any period less than one year shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in the period for which such dividends are payable.

(g) The Corporation shall nor claim any deduction from gross income for dividends paid on Series B Preferred Stock in any Federal Income tax return, claim for refund, or other statement, report or submission made to the Internal Revenue Service, and shall make any election or take any similar action to effectuate the foregoing except, in each case, if there shall be a change in law such that the Corporation may claim such dividends as deductions from gross income without affecting the ability of the Holders to claim the dividends received

deduction under Section 243(a)(l) of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor provision). At the reasonable request of any Holder (and at the expense of such Holder), the Corporation shall join in the submission to the Internal Revenue Service of a request for a ruling that the dividends paid on Series B Preferred Stock shall be eligible for the dividends received deduction under Section 243(a)(l) of the Code (or any successor provision). In addition, the Corporation shall cooperate with any Holder (at the expense of such Holder) in any litigation, appeal or other proceeding relating to the eligibility for the dividends received deduction under Section 243(a)(1) of the Code (or any successor provision) of any dividends (within the meaning of Section 316(a) of the Code or any successor provision) paid on Series B Preferred Stock. To the extent possible, the principles of this paragraph B(3)(g) shall also apply with respect to state and local income taxes.

4. Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Holders of all shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders an amount in cash equal to the Liquidation Preference per share, plus an amount equal to a prorated dividend from the last Dividend Payment Date to the date fixed for liquidation, dissolution or winding up, before any distribution is made on any Series B Junior Securities. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the application of all amounts available for payments with respect to Series B Preferred Stock and all other Series B Parity Securities would not result in payment in full of Series B Preferred Stock and such other Series B Parity Securities, the Holders of Series B Preferred Stock and holders of Series B Parity Securities shall share equally and ratably in any distribution of assets of the Corporation in proportion to the full Liquidation Preference to which each is entitled. After payment in full pursuant to this paragraph B(4)(a), the Holders of Series B Preferred Stock shall not be entitled to any further participation in any distribution in the event of liquidation, dissolution or winding up of the affairs of the Corporation.

(b) For the purposes of paragraph B(4)(a), neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation nor the consolidation, merger or other business combination of the Corporation with one or more corporations shall be deemed to be a voluntary or

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involuntary liquidation, dissolution or winding up of the Corporation, unless such sale, conveyance, exchange or transfer is in connection with a dissolution or winding up of the business of the Corporation; provided, however, that any consolidation or merger of the Corporation in which the Corporation is not the surviving entity shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this paragraph B(4)(b) if, (i) in connection therewith, the holders of Common Stock of the Corporation receive as consideration, whether in whole or in part, for such Common Stock (1) cash, (2) notes, debentures or other evidences of indebtedness or obligations to pay cash or (3) preferred stock of the surviving entity (whether or not the surviving entity is the Corporation) which ranks on a parity with or senior to the preferred stock received by holders of the Series B

Preferred Stock with respect to liquidation or dividends or (ii) the holders of the Series B Preferred Stock do not receive preferred stock of the surviving entity with rights, powers and preferences equal to (or more favorable to the holders than) the rights, powers and preferences of the Series B Preferred Stock.

5. Redemption. (a) The Company shall not have the right nor the power to, and the Holders shall not have the right to require the Company to, redeem any shares of Series B Preferred Stock. Notwithstanding the foregoing, this paragraph B(5) shall not prohibit the Corporation from acquiring from any Holder, with such Holder's consent, any shares of Series B Preferred Stock held by such Holder.

(b) Subject to the proviso in paragraph B(3)(e), no sum shall be set aside for or applied by the Corporation to the purchase, redemption, or other acquisition for value of any shares of Series B Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) at any time when any shares of Series B Preferred Stock or any Series B Parity Securities are outstanding unless, prior to the Corporation's setting aside or applying such sum to the purchase, redemption, or other acquisition of any shares of Series B Junior Securities, all shares of Series B Preferred Stock and Series B Parity Securities shall have been purchased or otherwise acquired for value by the Corporation (and the price in respect thereof paid or set aside for payment).

6. Voting Rights.

(a) The Holders of Series B Preferred Stock shall not be entitled or permitted to vote on any matter required or permitted to be voted upon by the shareholders of the Corporation, except as otherwise required by Delaware law or this Certificate of Designation and except that without the written consent of the Holders of a majority of the outstanding shares of Series B Preferred Stock or the vote of the Holders of a majority of the outstanding shares of Series B Preferred Stock at a meeting of the Holders of Series B Preferred Stock called for such purpose, the Corporation shall not (a) create, authorize or issue any other class or series of stock entitled to a preference prior to Series B Preferred Stock upon any dividend or distribution or any liquidation, distribution of assets, dissolution or winding up of the Corporation, or increase the authorized amount of any such other class or series, (b) except as permitted in the proviso to paragraph B(3)(e), pay or declare any dividend or distribution on any Series B Junior Securities or set aside or make available funds for a dividend or distribution on any Series B Junior Securities, or permit a subsidiary of the Corporation to do any of the foregoing, or (c) amend, alter or repeal any provision of the Corporation's Certificate of Incorporation so as to adversely affect the relative rights and preferences of the Series B Preferred Stock; provided, however, that any such amendment that changes the dividend payable on, or Liquidation Preference of, the Series B Preferred Stock shall require the affirmative vote of the Holder of each share of Series B Preferred Stock at a meeting of such Holders called for such purpose or the written consent of the Holder of each share of Series B Preferred Stock.

(b) In any case in which the Holders of Series B Preferred Stock shall

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be entitled to vote, each Holder of Series B Preferred Stock shall be entitled to one vote for each share of Series B Preferred Stock held unless otherwise required by applicable law.

7. Conversion or Exchange. The Holders of Series B Preferred Stock shall not have any rights hereunder to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of Capital Stock of the Corporation.

8. Reissuance of Series B Preferred Stock. Shares of Series B Preferred Stock which have been issued and reacquired in any manner, including shares purchased, redeemed or exchanged, shall have the status of authorized and unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock, all subject to the conditions or restrictions on issuance set forth in any resolution or resolutions adopted by the Board of Directors providing for the issuance of any series of Preferred Stock, it being understood that the Corporation may reissue shares of Series B Preferred Stock which are reacquired by the Corporation from a Holder who is, or was, an employee or director of the Corporation (or a subsidiary of the Corporation) so long as such reissued shares of Series B Preferred Stock are reissued to a person who is an employee or director of the Corporation (or a subsidiary of the Corporation) at the time of such reissue.

C. Series C Preferred Stock.

1. Designation of Series, Number of Shares. The third series of Preferred Stock shall be designated as Series C Preferred Stock ("Series C Preferred Stock"), and the number of shares which shall constitute such series shall be 1,000,000. The par value of Series C Preferred Stock shall be $.001 per share.

2. Rank. With respect to dividend rights and rights on liquidation, winding up and dissolution of the Corporation, Series C Preferred Stock shall rank (a) senior to (i) all classes of Common Stock of the Corporation; and (ii) each other class of capital stock or class or series of preferred stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank junior to Series C Preferred Stock as to dividend distributions or distributions upon the liquidation, winding up and dissolution of the Corporation (each of the securities in clauses (i) and (ii) collectively referred to as "Series C Junior Securities"), (b) on a parity with each other class of capital stock or class or series of preferred stock issued by the Corporation after the date hereof the terms of which do not specifically provide that they rank junior to Series C Preferred Stock or senior to Series C Preferred Stock as to dividend distributions or distributions upon liquidation, winding up and dissolution of the Corporation (collectively referred to as "Series C Parity Securities"), and (c) junior to (i) the Series A Preferred Stock, (ii) the Series B Preferred Stock and (iii) each other class of capital stock or other class or series of preferred stock issued by the Corporation after the date hereof the terms of which specifically provide that such class or series shall rank senior to Series C Preferred Stock as to dividend distributions or distributions upon the liquidation,

winding up and dissolution of the Corporation (collectively referred to as "Series C Senior Securities").

3. Dividends.

(a) Each Holder of Series C Preferred Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors, out of funds legally available therefor. All dividends declared with respect to shares of Series C Preferred Stock pursuant to this paragraph C(3)(a) shall be paid pro rata to the Holders entitled thereto.

(b) The Holders of Series C Preferred Stock shall be entitled to receive the dividends provided for in paragraph C(3)(a) hereof in preference to and in priority over any dividends upon any of the Series C Junior Securities, so that if at any time full Accumulated Dividends on shares of Series C Preferred Stock then outstanding have been declared but not paid or set aside for payment, the amount of such unpaid dividends shall be paid before any sum

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shall be set aside for or applied by the Corporation to the purchase, redemption or other acquisition for value of any shares of Series C Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) or any dividend or other distribution shall be paid or declared and set apart for payment on any Series C Junior Securities (the date of any such actions to be referred to as the "Series C Junior Payment Date"); provided, however, that the foregoing shall not (i) prohibit the Corporation from repurchasing shares of Series C Junior Securities from a Holder who is, or was, a director or employee of the Corporation (or an affiliate of the Corporation) and (ii) prohibit the Corporation from making dividends, other distributions, redemptions, repurchases or acquisitions in respect of Series C Junior Securities payable in Series C Junior Securities and cash in lieu of fractional shares of such Series C Junior Securities.

(c) The Corporation shall not claim any deduction from gross income for dividends paid on Series C Preferred Stock in any Federal Income tax return, claim for refund, or other statement, report or submission made to the Internal Revenue Service, and shall make any election or take any similar action to effectuate the foregoing except, in each case, if there shall be a change in law such that the Corporation may claim such dividends as deductions from gross income without affecting the ability of the Holders to claim the dividends received deduction under Section 243(a)(l) of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor provision). At the reasonable request of any Holder (and at the expense of such Holder), the Corporation shall join in the submission to the Internal Revenue Service of a request for a ruling that the dividends paid on Series C Preferred Stock shall be eligible for the dividends received deduction under Section 243(a)(l) of the Code (or any successor provision). In addition, the Corporation shall cooperate with any Holder (at the expense of such Holder) in any litigation, appeal or other proceeding relating to the eligibility for the dividends received deduction under Section 243(a)(1) of the Code (or any successor provision) of any dividends (within the meaning of Section 316(a) of the Code or any successor provision) paid on Series C Preferred Stock. To the extent possible, the principles of this paragraph C(3)(c) shall also apply with respect to state and local income taxes.

4. Liquidation Preference.

(a) Upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the Holders of all shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders an amount in cash equal to the Liquidation Preference per share, before any distribution is made on any Series C Junior Securities. If upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the application of all amounts available for payments with respect to Series C Preferred Stock and all other Series C Parity Securities would not result in payment in full of Series C Preferred Stock and such other Series C Parity Securities, the Holders of Series C Preferred Stock and holders of Series C Parity Securities shall share equally and ratably in any distribution of assets of the Corporation in proportion to the full Liquidation Preference to which each is entitled. After payment in full pursuant to this paragraph C(4)(a), the Holders of Series C Preferred Stock shall not be entitled to any further participation in any distribution in the event of liquidation, dissolution or winding up of the affairs of the Corporation.

(b) For the purposes of paragraph C(4)(a), neither the voluntary sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation nor the consolidation, merger or other business combination of the Corporation with one or more corporations shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, unless such sale, conveyance, exchange or transfer is in connection with a dissolution or winding up of the business of the Corporation; provided, however, that any consolidation or merger of the Corporation in which the Corporation is not the surviving entity shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this paragraph C(4)(b) if, (i) in connection therewith, the holders of Common Stock of the Corporation receive as consideration, whether in whole or in part, for such Common Stock (1)

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cash, (2) notes, debentures or other evidences of indebtedness or obligations to pay cash or (3) preferred stock of the surviving entity (whether or not the surviving entity is the Corporation) which ranks on a parity with or senior to the preferred stock received by holders of the Series C Preferred Stock with respect to liquidation or dividends or (ii) the holders of the Series C Preferred Stock do not receive preferred stock of the surviving entity with rights, powers and preferences equal to (or more favorable to the holders than) the rights, powers and preferences of the Series C Preferred Stock.

5. Redemption. (a) The Company shall not have the right nor the power to, and the Holders shall not have the right to require the Company to, redeem any shares of Series C Preferred Stock. Notwithstanding the foregoing, this Paragraph C(5) shall not prohibit the Corporation from acquiring from any Holder, with such Holder's consent, any shares of Series C Preferred Stock held by such Holder.

(b) Subject to the proviso in paragraph C(3)(b), no sum shall be set aside for or applied by the Corporation to the purchase, redemption, or other acquisition for value of

any shares of Series C Junior Securities (either pursuant to any applicable sinking fund requirement or otherwise) at any time when any shares of Series C Preferred Stock or any Series C Parity Securities are outstanding unless, prior to the Corporation's setting aside or applying such sum to the purchase, redemption, or other acquisition of any shares of Series C Junior Securities, all shares of Series C Preferred Stock and Series C Parity Securities shall have been purchased or otherwise acquired for value by the Corporation (and the price in respect thereof paid or set aside for payment).

6. Voting Rights.

(a) The Holders of Series C Preferred Stock shall not be entitled or permitted to vote on any matter required or permitted to be voted upon by the shareholders of the Corporation, except as otherwise required by Delaware law or this Certificate of Designation and except that without the written consent of the Holders of a majority of the outstanding shares of Series C Preferred Stock or the vote of the Holders of a majority of the outstanding shares of Series C Preferred Stock at a meeting of the Holders of Series C Preferred Stock called for such purpose, the Corporation shall not (a) create, authorize or issue any other class or series of stock entitled to a preference prior to Series C Preferred Stock upon any dividend or distribution or any liquidation, distribution of assets, dissolution or winding up of the Corporation, or increase the authorized amount of any such other class or series, (b) except as permitted in the proviso to paragraph C(3)(b), pay or declare any dividend or distribution on any Series C Junior Securities or set aside or make available funds for a dividend or distribution on any Series C Junior Securities, or permit a subsidiary of the Corporation to do any of the foregoing, or (c) amend, alter or repeal any provision of the Corporation's Certificate of Incorporation so as to adversely affect the relative rights and preferences of the Series C Preferred Stock; provided, however, that any such amendment that changes the dividend payable on, or Liquidation Preference of, the Series C Preferred Stock shall require the affirmative vote of the Holder of each share of Series C Preferred Stock at a meeting of such Holders called for such purpose or the written consent of the Holder of each share of Series C Preferred Stock.

(b) In any case in which the Holders of Series C Preferred Stock shall be entitled to vote, each Holder of Series C Preferred Stock shall be entitled to one vote for each share of Series C Preferred Stock held unless otherwise required by applicable law.

7. Conversion or Exchange. Except as otherwise set forth in the Agreement and Plan of Merger between the Corporation and Manhattan Acquisition Corp., dated as of November 15, 2000, amended as of January 9, 2001 and further amended as of May 1, 2001, the Holders of Series C Preferred Stock shall not have any rights hereunder to convert such shares into or exchange such shares for shares of any other class or classes or of any other series of any class or classes of Capital Stock of the Corporation.

8. Reissuance of Series C Preferred Stock. Shares of Series C Preferred

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Stock which have been issued and reacquired in any manner, including shares purchased, redeemed or exchanged, shall have the status of authorized and unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution

or resolutions of the Board of Directors or as part of any other series of Preferred Stock, all subject to the conditions or restrictions on issuance set forth in any resolution or resolutions adopted by the Board of Directors providing for the issuance of any series of Preferred Stock, it being understood that the Corporation may reissue shares of Series C Preferred Stock which are reacquired by the Corporation from a Holder who is, or was, an employee or director of the Corporation (or a subsidiary of the Corporation) so long as such reissued shares of Series C Preferred Stock are reissued to a person who is an employee or director of the Corporation (or a subsidiary of the Corporation) at the time of such reissue.

D. Certain Additional Provisions.

1. Business Day. If any payment shall be required by the terms hereof to be made on a day that is not a Business Day, such payment shall be made on the immediately succeeding Business Day.

2. Reports. So long as any shares of Preferred Stock remain outstanding, the Corporation shall send to the Holders of such Preferred Stock at their addresses as set forth on the stock register of the Corporation all quarterly and annual reports sent to holders of Common Stock of the Corporation.

3. Method of Payment. Preferred Stock shall be payable as to Liquidation Preference, dividends, redemption payments, cash in lieu of fractional shares or other payments at the office of the Corporation maintained for such purpose or, at the option of the Corporation, payment of dividends may be made by check mailed to the Holders at their addresses set forth in the stock register of the Corporation.

4. Prohibitions and Restrictions Imposed by Senior Securities and Indebtedness. To the extent that any action required to be taken by the Corporation under this Certificate of Designation shall be prohibited or restricted by the terms of Series A Senior Securities, Series B Senior Securities, Series C Senior Securities or any contract or instrument to which the Corporation is a party in respect of the incurrence of indebtedness, such Corporation's actions shall be delayed until such time as such prohibition or restriction is no longer in force.

5. Reservation of Right. The Board of Directors of the Corporation reserves the right by subsequent amendment of this resolution from time to time to increase or decrease the number of shares which constitute the Preferred Stock (but not below the number of shares thereof then outstanding) and in other respects to amend this resolution within the limitations provided by law, this resolution and the Certificate of Incorporation of the Corporation.

E. Definitions. As used in this Certificate of Designation, the following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

"Accumulated Dividends" means (i) with respect to any share of Series A Preferred Stock, the dividends that have accrued on such share as of such specific date for

Dividend Periods ending on or prior to such date and that have not previously been paid in cash, (ii) with respect to any share of Series B Preferred Stock, the dividends that have accrued on such share as of such specific date for Dividend Periods ending on or prior to such date and that have not previously been paid in cash, (iii) with respect to any share of Series C Preferred Stock, the dividends that have been declared on such share as of such specific date and

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that have not previously been paid in cash and (iv) with respect to any Parity Security, the dividends that have accrued and are due on such security as of such specific date.

"Annual Dividend Period" means the annual period commencing on each _____ and ending on the following Dividend Payment Date, respectively.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banking institutions in New York City are authorized by law or executive order to close.

"Capital Stock" means any and all shares, interests, participations, rights, or other equivalents (however designated) of corporate stock including, without limitation, partnership interests.

"Dividend Payment Date" means _____ of each year.

"Dividend Period" means the Initial Dividend Period and, thereafter, each Annual Dividend Period.

"Holder" means a holder of shares of Preferred Stock.

"Initial Dividend Period" means the dividend period commencing on the Issue Date and ending on the first Dividend Payment Date to occur thereafter.

"Issue Date" means (i) with respect to the Series A Preferred Stock, the date on which shares of Series A Preferred Stock are first issued by the Corporation, and (ii) with respect to the Series B Preferred Stock, the date on which shares of Series B Preferred Stock are first issued by the Corporation.

"Liquidation Preference" means, on any specific date, with respect to any share of Preferred Stock, the sum of (i) $12.00 per share plus (ii) the Accumulated Dividends with respect to such share.

"Person" means any individual, corporation, partnership, joint venture, incorporated or unincorporated association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or any other entity of any kind.

"Preferred Stock" means Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

"Series A Junior Payment Date" has the meaning given to such term in A(3)(e).

"Series A Junior Securities" has the meaning given to such term in paragraph A(2).

"Series A Parity Payment Date" has the meaning given to such term in A(3)(d).

"Series A Parity Securities" has the meaning given to such term in paragraph A(2).

"Series A Preferred Stock" has the meaning given to such term in paragraph A(1).

"Series A Senior Securities" has the meaning given to such term in paragraph A(2).

"Series B Junior Payment Date" has the meaning given to such term in B(3)(e).

"Series B Junior Securities" has the meaning given to such term in paragraph B(2).

"Series B Parity Payment Date" has the meaning given to such term in paragraph B(3)(d).

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"Series B Parity Securities" has the meaning given to such term in paragraph B(2).

"Series B Preferred Stock" has the meaning given to such term in paragraph B(1).

"Series B Senior Securities" has the meaning given to such term in paragraph B(2).

"Series C Junior Securities" has the meaning given to such term in paragraph C(2).

"Series C Parity Securities" has the meaning given to such term in paragraph C(2).

"Series C Preferred Stock" has the meaning given to such term in paragraph C(1).

"Series C Senior Securities" has the meaning given to such term in paragraph C(2).

IN WITNESS WHEREOF, Il Fornaio (America) Corporation. has caused this Certificate of Designation, Preferences and Rights of Series A 13.0% Cumulative Compounding Preferred Stock, Series B 13.5% Cumulative Compounding Preferred Stock and Series C Preferred Stock to be duly executed by its President this ___ day of _____, 2001.

By

Michael J. Hislop
President

SCHEDULE VII

Terms of Securities Holders and Registration Rights Agreements

Restrictions on Transfer:	Except for Permitted Transfers, securities of the Surviving Corporation may not be transferred (including by assignment, pledge, hypothecation, by operation of law, proxy or voting agreement or similar arrangement) without the prior written consent of the holders of 50% of the then outstanding Common Stock of the Surviving Corporation (the "Requisite Holders").
Permitted Transfers:	Permitted Transfers will include (i) sales pursuant to an Approved Sale, (ii) sales pursuant to the exercise of Tag-Along Rights, (iii) sales or other transfers to affiliated individuals or entities (in respect of stockholders who are entities) or for estate planning purposes or (iv) pursuant to exercise of registration rights or, following an Initial Public Offering, sales under Rule 144 under the Securities Act.
Approved Sale:	In the event the Requisite Holders approve the sale of the Company, each holder of securities of the Surviving Corporation will consent to and cooperate with the sale and,

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	if such sale is structured as a sale of stock, will sell its shares of stock and other equity securities on the terms approved by the Requisite Holders.
Tag Along Rights:	Subject to customary exceptions, BRS will not sell any shares of Common Stock without offering other stockholders of the Surviving Corporation the opportunity to sell shares on a pro rata basis and on equal terms.
Voting Agreement:	Each holder of securities will agree to vote all shares of voting capital stock or other voting securities so as to maintain a board of directors of

	the Surviving Corporation (and any subsidiaries) having a majority of directors designated by BRS.
Vesting:	Shares of Preferred or Common Stock (and/or options to purchase such shares or other securities) granted to employee investors (not to include any shares or options purchased under Section 1.1 of this Agreement) will be subject to vesting restrictions to include, in the case of restricted shares, a purchase option in favor of the Surviving Corporation in the event of termination of the investor's employment at a price equal to the investor's original cost (or, if lower, fair market value (determined by the Surviving Corporation in good faith)) with respect to unvested shares.
Management Buy-Back:	The Surviving Corporation will have the option to purchase any vested securities of an employee investor following termination of employment for a fair market value price (determined by the Surviving Corporation in good faith, it being understood that any such valuation will be without any discount based on minority ownership).
Right of First Refusal:	The Surviving Corporation will have a right of first refusal on any transfer of securities by an employee investor, except for Permitted Transfers.
Initial Public Offering:	An Initial Public Offering will be defined as an underwritten public offering of shares of Common Stock by the Surviving Corporation (other than an offering to employees or existing investors or in connection with any acquisition or business combination, or an offering of a combination of debt and equity securities where the aggregate consideration received by the Surviving Corporation in respect of such equity securities does not exceed 20% of the aggregate consideration received by the Surviving Corporation in such offering) where the Surviving Corporation receives aggregate net proceeds of not less than $30,000,000.

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Demand Registration Rights:	BRS will have demand registration rights.
Piggy-Back Registration Rights:	Following an Initial Public Offering or a demand registration by BRS, all Investors will have piggyback registration rights having equal priority in the event of a cutback by the managing underwriter (except that if the managing underwriter determines such a cutback is reasonably required for the success of the offering, shares of employee investors and investors who are directors at such time will be cutback before shares of other investors).
Lock-Up:	In the event of any public offering by the Surviving Corporation, no investor will sell or otherwise transfer (including by pledge, short sale or other hedging transaction) any equity securities for a period of 180 days or such shorter period as is agreed to by the underwriter for such offering.
Modifications for Financing:	The foregoing shareholder arrangements may be modified at the Company's discretion in connection with any debt financing incurred by the Company, including to provide for redemption rights in respect of warrants issued to lenders. It is understood that some of the above provisions may not apply to equity securities issued to the Company's lenders.

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EXHIBIT (d)(4)

MEMORANDUM OF UNDERSTANDING

WHEREAS, there are now pending putative class action lawsuits in the Court of Chancery of the State of Delaware in and for New Castle County (the "Court") consolidated by Order dated February 1, 2001, under the title In Re Il Fornaio Shareholders Litigation, Civil Action No. 18506 (the "Action"), brought on behalf of certain public holders of common stock ("Stockholders") of Il Fornaio (America) Corporation ("Il Fornaio," or the "Company");

WHEREAS, the operative complaint in the Action, filed on or about November 16, 2000, challenge a proposed cash-for-stock merger, publicly announced on November 16, 2000, in which a company formed by Bruckmann, Rosser, Sherrill & Co. II, L.P. ("BRS"), would merge with and into Il Fornaio, and each outstanding share of Il Fornaio common stock (excluding the shares held by the Continuing Stockholders, as defined below) would be converted into the right to receive $14.00 in cash (the transaction so described being referred to herein as the "Merger" and such cash consideration per share being referred to as the "Merger Consideration");WHEREAS, approximately 18% of the Company's outstanding common stock (27% counting shares subject to options exercisable within 60 days of April 30, 2001) is owned by persons (including certain officers and directors of the Company) whose shares will continue as or be converted into equity interests in Il Fornaio as the surviving company of the Merger (the "Continuing Stockholders");

WHEREAS, the Complaint specifically alleges, inter alia, that (i) the defendants in the Action breached their fiduciary duties or aided and abetted the breaches of others' fiduciary duties in connection with the negotiation and approval of the Merger by Il Fornaio by undervaluing Il Fornaio common stock and ignoring the full value of its assets and timing the announcement of the merger to place an artificial lid on the market price of Il Fornaio's common

stock in order to justify a price that is unfair to the Company's public stockholders, and (ii) failed to disclose material non-public information in their possession as to the value of Il Fornaio, the full extent of its future earning capacity, and expected increases in profitability;

WHEREAS, plaintiffs' counsel has been informed that since the announcement of the Merger, Il Fornaio's comparable restaurant sales and net income have decreased from the comparable period of the prior year, that the economic slowdown and California energy shortage are predicted to have further negative effects on Il Fornaio's business, that unfavorable developments in the debt markets were affecting the price at which BRS could obtain financing for the Merger, and that BRS has stated that for it to consummate the Merger, the

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Merger Consideration would have to be reduced, it ultimately being agreed between Il Fornaio and BRS that the Merger Consideration would be reduced to $12.00 per share;

WHEREAS, the Merger was, as agreed upon by Il Fornaio and BRS, subject to approval by the holders of a majority of the outstanding shares of Il Fornaio common stock entitled to vote thereon, including shares owned or controlled by Continuing Stockholders;

WHEREAS following filing of the Complaint, plaintiffs' counsel reviewed publicly filed and other available information concerning Il Fornaio and consulted with their own independent financial advisor in order to determine the fairness of the terms of the Merger, including the Merger Consideration;

WHEREAS, plaintiffs' counsel and counsel to defendants engaged in arm's-length negotiations concerning a possible settlement of the Action;

NOW, THEREFORE, counsel for the parties have reached an agreement in principle providing for the settlement of the Action (the "Settlement") between and among plaintiffs, on behalf of themselves and the putative class of persons on behalf of whom plaintiffs

have brought the Action, and defendants on the terms and subject to the conditions set forth below:

1. PRINCIPAL TERMS OF SETTLEMENT

(a) Enhanced Shareholder Voting Requirement:

The Merger Agreement shall be amended to provide that, in addition to any other vote required by law or the rules of the NASDAQ stock market, the Merger must be approved by a majority of the votes cast on the Merger excluding votes attributable to shares owned or controlled by Continuing Stockholders (it being agreed that neither abstentions nor "broker non-votes" will be counted as "votes cast" for this purpose). The Continuing Stockholders and the shares of Il Fornaio common stock owned or controlled by them are set forth on Exhibit A hereto.

(b) Additional Disclosures

In light of concerns plaintiffs have raised with respect to the adequacy of disclosure in the draft Proxy Statement regarding certain issues, defendants have agreed to amend the Proxy Statement to include additional disclosures regarding (i) the factors that led to the reduction of

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the Merger Consideration and the reasons that the Merger continues to be advisable and fair to the shareholders of Il Fornaio at the present time in light of those factors, (ii) the inquiry by a publicly traded restaurant chain regarding a possible merger, and why the Merger continues to be in the best interests of shareholders in light of that inquiry, and (iii) financial results for the most recent quarter.

2. Defendants shall be responsible for providing notice of the Settlement to Members of the Class and shall bear the costs of such notice.

3. The parties to the Action will attempt in good faith to agree upon and execute as soon as practicable (i) an appropriate Stipulation of Settlement (the "Stipulation") of all claims asserted in the operative Complaint filed in the Action and all other claims (as described hereinafter), if any, arising out of or relating, in whole or in part, to the Merger, and (ii) such other documentation as may be required in order to obtain any and all necessary or appropriate Court approvals of the Stipulation, upon and consistent with the terms set forth in this Memorandum of Understanding, including that in exchange for the consideration set forth above, the Stipulation shall provide for the dismissal of all such claims with prejudice and without costs to any party (except as set forth in Paragraphs 2 and 3(f) herein). The Stipulation will also expressly provide, inter alia:

a. for class certification pursuant to Delaware Chancery Court Rule 23(b)(1) and (b)(2) of a class consisting of all persons (other than defendants, their affiliates and the Continuing Stockholders) who owned common stock of Il Fornaio at any time from November 16, 2000, or thereafter, and their successors in interest and transferees, immediate and remote, through and including the closing of the Merger (the "Class");

b. that all defendants have denied, and continue to deny, that they have committed any violations of law and that they are entering into the Stipulation because the proposed Settlement would eliminate the burden and expense of further litigation, and would permit the Merger to proceed without risk of injunctive or other relief;

c. for the release of all claims of Class members, whether known or unknown, against the Continuing Stockholders and the defendants and any of their present or former officers, directors (including specifically Il Fornaio director and special committee member George B. James), employees, agents, attorneys, accountants, insurers, financial

advisors, commercial bank lenders, investment bankers, representatives,

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affiliates, associates, parents, subsidiaries, general partners, limited partners, partnerships, heirs, executors, administrators, successors and assigns, whether under state or federal law, and whether directly, derivatively, representatively or arising in any other capacity, and in connection with, or that arise out of any claim that was or could have been brought in the Action and/or that relates in any way to the Merger, the negotiation, consideration or formulation of the Merger, or any associated agreements, the fiduciary obligations of any of the defendants or other persons to be released in connection with the Merger, and/or the disclosures made in connection with or relating to, or disclosure obligations of any of the defendants (or persons to be released) in connection with, the Merger or any other claim arising from any matter related to any of the acts or transactions described in the complaint or relating in any way to any of the foregoing;

d. that the Settlement shall be subject to completion by plaintiffs of appropriate discovery in the Action reasonably satisfactory to plaintiffs' counsel;

e. that the parties to the Action will present the Settlement to the Court for hearing and approval as soon as practicable and, following appropriate notice to members of the Class, will use their best efforts to obtain final Court approval of the Settlement, and release and dismissal of the Action with prejudice as against plaintiffs in the Class and without awarding costs to any party (except as provided for in Paragraph 4(f) herein). The parties will use their best efforts to secure prompt Court approval of the Settlement. It is expressly acknowledged that, at the sole option of defendants, because of deal related exigencies, the Merger may be consummated prior to Court approval of the Settlement, and that it is expected that the Merger will be consummated prior to final Court approval of the Settlement. As used in this Memorandum of Understanding, "final Court approval of the Settlement" means that the Court

has entered an Order approving the Settlement in accordance with the Stipulation, and that Order is finally affirmed on appeal or is no longer subject to appeal; and

f. that if a Stipulation of Settlement has been executed and final Court approval of the Settlement and dismissal of the Action by the Court with prejudice has been obtained in accordance with the Stipulation of Settlement, plaintiffs' counsel of record in the Action will apply to the Court for an award of attorneys' fees and expenses (including, but not limited to, fees and expenses of plaintiffs' counsel's independent financial advisor), not to exceed $240,000 in the aggregate. Defendants agree not to oppose such an application in connection with the approval of the settlement contemplated herein. Subject to the conditions set forth in this paragraph and any order of the Court, any such attorneys' fees and expenses awarded by the Court to

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plaintiffs' counsel shall be paid by the Company or its successor in interest on behalf of all defendants to the order of Cauley Geller, Bowman & Coates, LLP within five (5) days after the later of: (i) final Court approval of the Settlement (as defined in Paragraph 3(e) hereof) or (ii) the Court's final award of fees and expenses.

4. This Memorandum of Understanding shall be null and void and of no force and effect if: (a) the Merger is not effectuated for any reason whatsoever, including without limitation termination pursuant to Paragraph 5 hereof; or (b) final Court approval of the Settlement does not occur for any reason. In any such event, this Memorandum of Understanding shall not be deemed to prejudice in any way the respective positions of the parties with respect to the Action, and neither the existence of this Memorandum of Understanding nor its contents shall be admissible in evidence or shall be referred to for any purpose in the Action or in any other litigation or judicial proceeding.

5. The settlement contemplated herein is subject to such confirmatory discovery as Plaintiffs' counsel shall reasonably request. If, based on such discovery, plaintiffs' counsel conclude that the Settlement is not fair or adequate under the circumstances, plaintiffs may elect to withdraw from the Settlement. Any withdrawal pursuant to this paragraph shall be made in a writing delivered by hand or by facsimile to each signatory to this Memorandum of Understanding within 96 hours following completion of the confirmatory discovery contemplated by this paragraph.

6. This Memorandum of Understanding may be executed in counterpart by any of the signatories hereto, including by telecopier, and as so executed shall constitute one agreement.

7. This Memorandum of Understanding and the Settlement contemplated by it shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to Delaware's conflict of law rules.

8. This Memorandum of Understanding may be modified or amended only by a writing signed by the signatories hereto.

9. Upon execution by each of the signatories hereto, this Memorandum of Understanding shall be binding upon and inure to the benefit of the parties and their respective agents, executors, heirs, successors and assigns.

Dated: June 6, 2001

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ROSENTHAL, MONHAIT, GROSS
& GODDESS, P.A.

/s/ Norman Monhait

Norman Monhait
Suite 1401, Mellon Bank Center
P.O. Box 1070
Wilmington, Delaware 19899
(302) 656-4433

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CAULEY, GELLER, BOWMAN & COATES, LLP

/s/ Paul Geller

Paul Geller
One Boca Place
2255 Glades Road
Suite 421A
Boca Raton, FL 33431
(561) 750-3000

Attorneys for Plaintiffs

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MORRIS, NICHOLS, ARSHT & TUNNELL

/s/ William Lafferty

William Lafferty
1201 N. Market Street
18th Floor
Wilmington, Delaware 19801

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(302) 658-9200

Attorneys for Defendant
Il Fornaio (America), Hislop,
Mindel, Cortopassi, Hedrick, Hellman
and Lester

RICHARDS LAYTON & FINGER

/s/ Gregory V. Varallo

Gregory V. Varallo
Richards Layton & Finger
One Rodney Square
Wilmington, DE 19801
(302) 658-6541

Attorneys for Defendant
Levy and special committee member
George B. James

MORRIS JAMES HITCHENS & WILLIAMS

/s/ P. Clarkson Collins

P. Clarkson Collins
222 Delware Avenue
10th Floor, P.O. Box 2306
Wilmington, DE 19899-2306
(302) 888-6800

Attorneys for Defendant Bruckmann,
Rosser Sherrill & Co., L.L.C.

Schedule A

Name | Shares of Common

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	Stock Currently Held (Excluding Options)
Laurence B. Mindel (1)	679,536
Michael J. Hislop	0
F. Warren Hellman (2)	137,854
W. Scott Hedrick	14,879
Dean A. Cortopassi (3)	117,794
Carlo Veggetti (4)	78,359
Total Shares Owned	1,028,422

(1) Includes 7,195 shares held of record by the Mindel Family Trust, 9,157 shares held of record by a Trust created for the benefit of Laurence B. Mindel and his family, and 663,184 shares held by The Mindel Living Trust. Mr. Mindel has represented and warranted that he is the trustee of these three trusts.

(2) Includes 125,802 shares held of record by FWH Associates, a California limited partnership. Mr. Hellman has represented and warranted to Acquisition that he is the general partner of FWH Associates. Also includes 2,052 shares held of record by Marco H. Hellman Trust "B". Mr. Hellman has represented and warranted that he is the trustee of this trust.

(3) Includes 57,794 shares held of record by Stanislaus Food Products Company, a California corporation. Mr. Cortopassi has represented and warranted to Acquisition that he is Chief Executive Officer and a controlling stockholder of Stanislaus Food Products Company. Includes 60,000 shares held of record by the Capecchio Foundation, a California not-for-profit corporation, of which Mr. Cortopassi has represented and warranted he is a Director.

(4) Includes 78,359 shares held of record by Stefi Invest Trade Inc., a company organized under the laws of the British Virgin Islands. Mr. Veggetti has represented and warranted that he is the sole director and sole stockholder of Stefi Invest Trade Inc.

By the date of the meeting at which the shareholders vote on the Merger, there may be additional Continuing Stockholders, whose votes will be excluded under paragraph 1 (a) above. Certain of the Continuing Stockholders own options to purchase common stock. In the event that any such Continuing Stockholder exercises such options prior to the record date for the stockholders meeting at which the Merger will be voted on, the shares so acquired will be excluded from the vote in accordance with paragraph 1(a) above.

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