

As filed with the Securities and Exchange Commission on September 17, 2004

Registration No. 333-

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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### ALLIED MOTION TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

**Colorado**  
(State or Other Jurisdiction  
of Incorporation or Organization)

**84-0518115**  
(I.R.S. Employer  
Identification No.)

**23 Inverness Way East, Suite 150**  
**Englewood, Colorado 80112**  
**(303) 799-8520**  
(Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Registrant's Principal Executive Offices)

**RICHARD D. SMITH, Chief Executive Officer**  
**Allied Motion Technologies Inc.**  
**23 Inverness Way East, Suite 150**  
**Englewood, Colorado 80112**  
**(303) 799-8520**  
(Name, Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Agent for Service)

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*Copies to:*  
**JAMES J. TANOUS, Esq.**  
**Jaeckle Fleischmann & Mugel, LLP**  
**Twelve Fountain Plaza, Suite 800**  
**Buffalo, New York 14202**  
**(716) 856-0600**

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement until such time that all of the shares registered hereunder have been sold.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box:

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 (the "Securities Act"), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective Registration Statement for the same offering:  \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:  \_\_\_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box:

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#### CALCULATION OF REGISTRATION FEE

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Title of Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock	263,231	\$6.40	\$1,684,679	\$214

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- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the rules and regulations under the Securities Act of 1933 and based upon the average of the high and low sales prices of the common stock as reported on the Nasdaq Small Cap Market on September 15, 2004.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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**The information in this prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell nor the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.**

**Subject to Completion, dated September 17, 2004**

**PROSPECTUS**

## **ALLIED MOTION TECHNOLOGIES INC.**

**23 Inverness Way East, Suite 150  
Englewood, Colorado 80112  
(303) 799-8520**

### **263,231 shares of Common Stock**

All of the shares of common stock covered by this prospectus are issued and outstanding shares that may be offered and sold from time to time by the selling shareholders or by their pledgees, donees, transferees or other successors in interest. Allied Motion Technologies Inc. will not receive any of the proceeds from the sale of these shares. The prices at which the selling shareholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions.

The shares are being registered to permit the selling shareholders to sell the shares from time to time in the public market. The selling shareholders may sell the common stock through ordinary broker transactions, directly to market makers of our shares or through other means described in this prospectus.

We originally issued all of the shares covered by this prospectus in connection with our acquisition of the business of Premotec Beheer B.V. We are registering the shares pursuant to an agreement between us and Premotec Holding B.V.

Our common stock is traded on the Nasdaq SmallCap Market under the symbol "AMOT." On September 15, 2004, the last reported sale price for our common stock on the Nasdaq SmallCap Market was \$6.40 per share.

**The securities offered hereby involve a high degree of risk. See "Risk Factors" beginning on page 6.**

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is \_\_\_\_\_, 2004.

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You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized any dealer, salesperson or other person to give any information or represent anything not contained in this prospectus. This prospectus is not an offer to sell or buy any shares in any jurisdiction in which it is unlawful. You should assume that the information appearing in this prospectus and the documents incorporated by reference herein is accurate only as of its respective date or dates or on the date or dates which are specified in these documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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## FORWARD-LOOKING INFORMATION

We have made forward-looking statements with respect to our financial condition, results of operations and business and on the possible impact of this offering on our financial performance. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and similar expressions as they relate to us or our management are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties, including those described under "Risk Factors" in this prospectus, that could cause actual results to differ materially from the results contemplated by the forward-looking statements. The forward-looking statements represent our judgment and expectations as of the date of this prospectus. Prospective purchasers should not place undue reliance on these forward-looking statements. We assume no obligation to update any such forward-looking statements.

In evaluating the securities offered by this prospectus, you should carefully consider the discussion of risks and uncertainties in the section entitled "Risk Factors" on pages 6 to 8 of this prospectus.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission ("SEC") a registration statement under the Securities Act with respect to the securities offered hereunder. As permitted by the SEC's rules and regulations, this prospectus does not contain all the information set forth in the registration statement. For further information, please refer to the registration statement and the contracts, agreements and other documents filed as exhibits to the registration statement. Additionally, we file annual, quarterly and special reports, proxy statements and other information with the SEC.

You may read and copy all or any portion of the registration statement or any other materials that we file with the SEC at the SEC public reference room at 450 Fifth Street, Washington, D.C., 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. Our SEC filings, including the registration statement, are also available to you on the SEC's web site ([www.sec.gov](http://www.sec.gov)). We also have a web site ([www.alliedmotion.com](http://www.alliedmotion.com)) through which you may access our SEC filings.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information contained in documents that we file with it: that means we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information.

We incorporate by reference the documents listed below and any future filings we make with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act prior to the completion of this offering:

- Our Annual Report on Form 10-K for the year ended December 31, 2003;
- Our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2004 and June 30, 2004; and
- Our Current Reports on Form 8-K filed with the SEC on February 11, 2004, May 17, 2004, August 26, 2004 and September 16, 2004.

You may request a free copy of these filings (other than exhibits, unless they are specifically incorporated by reference in the documents) by writing or telephoning us at the following address and telephone number:

Allied Motion Technologies Inc.  
23 Inverness Way East, Suite 150  
Englewood, Colorado 80112  
(303) 799-8520

## THE COMPANY

Allied Motion designs, manufactures and sells motion products to a broad spectrum of customers throughout the world primarily for the commercial motor, industrial motion control, and aerospace and defense markets. Our products are in use in an ever-greater number of demanding applications in specialty automotive, HVAC, medical, health-fitness, defense, aerospace, semiconductor manufacturing, fiber optic-based telecommunications, printing, and graphic imaging market sectors, to name a few.

Five companies form the core of Allied Motion. The companies, Emotek, Computer Optical Products, Motor Products, Stature Electric and Premotec offer a wide range of standard motors, encoders and drives for original equipment manufacturers (OEM) and end user applications. A particular strength of each company is its ability to design and manufacture custom motion control solutions to meet the needs of its customers.

Emotek Corporation in Tulsa, Oklahoma develops and manufactures advanced servo motor and drive solutions. Emotek has developed specialized, high performance servo solutions. As a result, Emotek's products are at work in precision equipment applications around the world from semiconductor manufacturing equipment to fuel cell powered vehicles to high performance target tracking systems.

Computer Optical Products (COPI) in Chatsworth, California solves difficult feedback application problems with innovative optical encoder solutions. Combining their considerable expertise in mechanical, optical, and electronic technologies, COPI's engineers have developed unique encoding solutions for numerous and diverse applications from pre-press imaging equipment to missile seeker heads. Integrating their custom high resolution sine-cosine optical encoders with customers' motor actuators is a particular strength of COPI.

Motor Products Corporation in Owosso, Michigan has been supplying fractional horsepower DC motors to original equipment manufacturers in a myriad of industries for over sixty years. We acquired Motor Products in July 2002 to further our strategy to become a leading supplier in the motion industry. Motor Products specializes in the design of custom brush DC motors for specific customer applications, and supplies them with uniformly high quality in quantities ranging from tens to the tens of thousands. Motor Products motors are in use worldwide in commercial and industrial applications in HVAC and heat-transfer systems, fans and blowers, pumps, electro-mechanical actuators, and both over-the-road trucks and buses and off-road vehicles.

Stature Electric in Watertown, New York manufactures fractional and integral horsepower motors, gear motors, and motor part sets. We acquired Stature Electric in May 2004. Significant markets for Stature include commercial products and equipment, healthcare, recreation and non-automotive transportation. Stature's component products are sold throughout North America and in Europe, primarily to original equipment manufacturers that use them in their end products.

Premotec in Dordrecht, the Netherlands has been manufacturing small precision electric motors for more than thirty years. The products are manufactured at their facility in the Netherlands and at a contract manufacturing facility in Eastern Europe and are sold to original equipment manufacturers (OEM) in Europe and the United States and through distributors to smaller OEM's in many countries

of the European Economic Community. Premotec's products are used in a wide variety of industrial, professional and medical applications, such as fuel injection systems, high-density digital tape drives, bar code readers, laser scanning equipment, dialysis equipment, industrial ink jet printers, waste water treatment, cash dispensers, dosing systems for the pharmaceutical industry, textile manufacturing, document handling equipment, studio television cameras, and optical disc drives for the computer industry.

Our corporate headquarters are located at 23 Inverness Way East, Suite 150, Englewood, Colorado and our telephone number is (303) 799-8520. Our web site is found at [www.alliedmotion.com](http://www.alliedmotion.com). The information available on, or that can be accessed through our web site is not a part of this prospectus. Unless the context otherwise requires, the terms "Allied Motion," "the Company," "we," "us" and "our" refer to Allied Motion Technologies Inc. and its subsidiaries.

## RISK FACTORS

You should carefully consider the factors described below and other information contained in this prospectus before making a decision to buy any securities registered hereunder. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us, may also impair our business operations. If any of the following risks actually occurs, our business, financial condition or results of operations could be materially and adversely affected. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Please refer to "Forward-Looking Information" on page 3.

### **If we do not successfully integrate our recent acquisitions, we may not realize the expected benefits of the acquisitions.**

There is a significant degree of difficulty and management distraction inherent in the process of integrating Stature Electric, Inc. and Premotec Beheer B.V. with our existing business. These difficulties include the challenge of accomplishing this integration while managing the ongoing operations of each business, the challenge of combining the business cultures of each company, and the need to retain key personnel of our existing business and the acquired business. The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the recently acquired businesses and our existing business. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our businesses, service existing customers, attract new customers and develop new products. If our senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer.

We cannot provide assurance that we will successfully or cost-effectively integrate the Stature Electric, Inc. or Premotec Beheer B.V. acquisitions and our existing business. The failure to do so could have a material adverse effect on our business, financial condition and results of operations.

### **We may not realize the expected cost savings and other benefits from the Stature Electric or Premotec acquisitions.**

We expect to realize cost savings and other financial and operating benefits as a result of the acquisitions of Stature Electric, Inc. and Premotec Beheer B.V. However, we cannot predict with certainty when these cost savings and benefits will occur, or the extent to which they actually will be achieved. Realization of any benefits and savings could be affected by a number of factors beyond our control, including, without limitation, general economic conditions, increased operating costs, the response of competitors and regulatory developments.

### **We are dependent on our key personnel.**

We are dependent upon the continued contributions of our senior corporate management, particularly Richard Smith, chief executive officer and chief financial officer, Richard Warzala, president and chief operating officer, and certain key employees of Allied Motion for our future success. If Mr. Smith or Mr. Warzala no longer serve in their positions at Allied Motion, our business, as well as the market price of our common stock, could be substantially adversely affected. We cannot assure you that we will be able to retain the services of Mr. Smith or Mr. Warzala or any other members of our senior management or key employees.

### **We have existing debt and refinancing risks that could affect our cost of operations.**

We have both fixed and variable rate indebtedness and may incur indebtedness in the future, including borrowings under our existing or new credit facilities, to finance possible acquisitions and for



general corporate purposes. As a result, we are and expect to be subject to risks normally associated with debt financing including:

- that interest rates may rise;
- that our cash flow will be insufficient to make required payments of principal and interest;
- that any default on our debt could result in acceleration of those obligations;
- that we may be unable to refinance or repay the debt as it becomes due; and
- that any refinancing will not be on terms as favorable as those of the existing debt.

**Our operating results could fluctuate significantly.**

Our quarterly and annual operating results are affected by a wide variety of factors that could materially adversely affect revenues and profitability, including:

- competitive pressures on selling prices;
- the timing of customer orders and the deferral or cancellation of orders previously received;
- development of and response to new technologies;
- fulfilling backlog on a timely basis;
- the level of orders received which can be shipped in a quarter; and
- the timing of investments in engineering and development.

As a result of the foregoing and other factors, we have and may continue to experience material fluctuations in future operating results on a quarterly or annual basis which could materially and adversely affect our business, financial condition, operating results and stock price.

**Our operating results depend in part on our ability to contain or reduce costs.**

Our efforts to maintain and improve profitability depend in part on our ability to reduce the costs of materials, components, supplies and labor. While the failure of any single cost containment effort by itself would most likely not significantly impact our results, we cannot give any assurances that we will be successful in implementing cost reductions and maintaining a competitive cost structure.

**There is substantial price competition in our industry, and our success and profitability will depend on our ability to maintain a competitive cost and price structure.**

There is substantial price competition in our industry, and our success and profitability will depend on our ability to maintain a competitive cost and price structure. We may have to reduce prices in the future to remain competitive. Also, our future profitability will depend in part upon our ability to continue to improve our manufacturing efficiencies and maintain a cost structure that will enable us to offer competitive prices. Our inability to maintain a competitive cost structure could have a material adverse effect on our business, financial condition and results of operations.

**We may not be able to obtain the capital we need to maintain or grow our business.**

Our ability to execute our long-term strategy may depend to a significant degree on our ability to obtain long-term debt and equity capital. We have no commitments for additional borrowings, other than our existing credit facilities, or for sales of equity. We may be unable to obtain future additional financing on terms acceptable to us, or at all. If we fail to comply with certain covenants relating to our indebtedness, we may need to refinance our indebtedness to repay it. We also may need to refinance

our indebtedness at maturity. We may not be able to obtain additional capital on favorable terms to refinance our indebtedness.

The following factors could affect our ability to obtain additional financing on favorable terms, or at all:

- our results of operations;
- general economic conditions and conditions in our industry;
- the perception in the capital markets of our business;
- our ratio of debt to equity;
- our financial condition;
- our business prospects; and
- changes in interest rates.

In addition, certain covenants relating to our existing indebtedness impose certain limitations on additional indebtedness. If we are unable to obtain sufficient capital in the future, we may have to curtail our capital expenditures and other expenses. Any such actions could have a material adverse effect on our business, financial condition, results of operations and liquidity.

**We could incur substantial costs under environmental laws.**

Our operations are subject to laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants into the air or water, the management and disposal of hazardous substances or wastes and the cleanup of contaminated sites. Some of our operations require environmental permits and controls to prevent and reduce air and water pollution, and these permits are subject to modification, renewal and revocation by issuing authorities. We could incur substantial costs, including cleanup costs, fines and civil or criminal sanctions and third-party claims for property damage and personal injury as a result of violations of or liabilities under environmental laws or non-compliance with environmental permits.

**Anti-takeover provisions in our corporate documents may discourage or prevent a takeover.**

Provisions in our articles of incorporation and our by-laws may have the effect of delaying or preventing an acquisition or merger in which we are acquired or a transaction that changes our board of directors. These provisions:

- authorize the board to issue preferred stock without shareholder approval;
- prohibit cumulative voting in the election of directors;
- limit the persons who may call special meetings of shareholders;
- establish advance notice requirements for nominations for the election of directors or for proposing matters that can be acted on by shareholders at shareholder meetings; and
- require that, in a vote to approve an acquisition or merger in which the Company is acquired or a transaction that changes the board of directors, the affirmative vote of the holders of two-thirds of the Company's outstanding shares is required, unless the transaction is approved by at least two-thirds of the continuing directors, in which event the provisions require that the affirmative vote of a majority of the holders of the Company's outstanding shares is required.

## USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the common stock by the selling shareholders. All proceeds from the sale of such securities will be solely for the account of the selling shareholders.

### SELLING SHAREHOLDERS

In connection with Allied Motion's acquisition of Premotec, we issued 263,231 shares of our common stock to Premotec's shareholder, which then distributed them to its shareholders and certain of its key employees, who are the selling shareholders named herein. The selling shareholders, including their respective transferees, pledges, donees or successors, may from time to time offer and sell their shares of our common stock acquired in connection with our acquisition of Premotec pursuant to this prospectus.

The following table sets forth the name of the selling shareholders, the number of shares and percentage of our common stock beneficially owned by the selling shareholders immediately prior to the registration, the number of shares registered and the number of shares and percentage of our common stock to be beneficially owned by the selling shareholders assuming all shares covered by this registration statement are sold. However, because the selling shareholders may offer all or a portion of the shares covered by this prospectus at any time and from time to time hereafter, the exact number of shares that the selling shareholders may hold at any time hereafter cannot be determined at this time. The last two columns of this table assume that all shares covered by this prospectus will be sold by the selling shareholders and that no additional shares of our common stock are held as of the date hereof or subsequently bought or sold by the selling shareholders.

Name	Beneficial Ownership Prior to the Registration		Shares Covered by this Registration Statement	Beneficial Ownership After the Shares are Sold(2)	
	Number	Percent(1)		Number	Percent(1)
Proforce B.V.	77,915	1.3%	77,915	0	0
Comarc B.V.	63,464	1.0%	63,464	0	0
Isater B.V.	57,688	1.0%	57,688	0	0
Stardech B.V.	27,720	*	27,720	0	0
Harry Cloos	14,283	*	14,283	0	0
Premotec Holding B.V.	5,915	*	5,915	0	0
Willem Mudde	2,998	*	2,998	0	0
Anthonius Mensch	2,014	*	2,014	0	0
Frank van Andel	1,969	*	1,969	0	0
Arie van Vlijmen	1,656	*	1,656	0	0
Josephine Oosterbaan	1,566	*	1,566	0	0
Piet Schmidt	1,566	*	1,566	0	0
Ronald den Hoed	1,343	*	1,343	0	0
Johannes Versluis	1,119	*	1,119	0	0
Catharina Garcia	671	*	671	0	0
A. Luong Ho	448	*	448	0	0
Neeltje Koren	448	*	448	0	0
Augustina Masso	448	*	448	0	0

\* Represents less than 1%

- (1) We have calculated the percentage of issued and outstanding shares of common stock held by the selling shareholders based on 6,054,607 shares of common stock issued and outstanding as of September 2, 2004.
- (2) We have assumed all shares of common stock set forth in this registration statement have been sold.

## PLAN OF DISTRIBUTION

The selling shareholders may resell or redistribute the 263,231 shares of common stock from time to time on any stock exchange or automated interdealer quotation system on which our common stock is listed, in the over-the-counter market, in privately negotiated transactions, or in any other legal manner, at fixed prices that may be changed, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. Persons who are pledgees, donees, transferees, or other successors in interest of the named selling shareholders (including but not limited to persons who receive securities from the named selling shareholders as a gift, distribution or other non-sale-related transfer after the date of this prospectus) may also use this prospectus and are included when we refer to "selling shareholders" in this prospectus. The selling shareholders may sell the securities by one or more of the following methods, without limitation:

- block trades (which may include cross trades) in which the broker or dealer so engaged will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer as principal and resale by the broker or dealer for its own account;
- an exchange distribution or secondary distribution in accordance with the rules of any stock exchange on which our common stock is listed;
- ordinary brokerage transactions and transactions in which the broker solicits purchases;
- an offering at other than a fixed price on or through the facilities of any stock exchange on which our common stock is listed or to or through a market maker other than on that stock exchange;
- privately negotiated transactions, directly or through agents;
- short sales;
- through the writing of options on the securities, whether or not the options are listed on an options exchange;
- one or more underwritten offerings;
- agreements between a broker or dealer and a selling shareholder to sell a specified number of the securities at a stipulated price per share; and
- any combination of any of these methods of sale or distribution, or any other method permitted by applicable law.

The selling shareholders may also transfer the securities by gift. We do not know of any current arrangements by the selling shareholders for the sale or distribution of the common stock.

The selling shareholders may engage brokers and dealers, and any brokers or dealers may arrange for other brokers or dealers to participate in effecting sales of our common stock. These brokers, dealers or underwriters may act as principals, or as an agent of a selling shareholder. Broker-dealers may agree with a selling shareholder to sell a specified number of the shares of common stock at a stipulated price per share. If the broker-dealer is unable to sell shares of common stock acting as agent for a selling shareholder, it may purchase as principal any unsold securities at the stipulated price. Broker-dealers who acquire shares of common stock as principals may thereafter resell the securities from time to time in transactions on any stock exchange or automated interdealer quotation system on which the securities are then listed, at prices and on terms then prevailing at the time of sale, at prices related to the then-current market price or in negotiated transactions. Broker-dealers may use block transactions and sales to and through broker-dealers, including transactions of the nature described

above. The selling shareholders may also sell the securities in accordance with Rule 144 under the Securities Act of 1933, as amended, provided they meet the criteria and conform to the requirements of Rule 144, rather than pursuant to this prospectus, regardless of whether the securities are covered by this prospectus.

From time to time, the selling shareholders may pledge, hypothecate or grant a security interest in some or all of the securities owned by them. The pledgees, secured parties or persons to whom the securities have been hypothecated will, upon foreclosure in the event of default, be deemed to be a selling shareholder. The number of a selling shareholder's securities offered under this prospectus will decrease as and when it takes such actions. In addition, the selling shareholders may, from time to time, sell the common stock short, and, in those instances, this prospectus may be delivered in connection with the short sales and the common stock offered under this prospectus may be used to cover short sales.

The selling shareholders may be, and any underwriters, brokers, dealers or agents that participate in the distribution of the securities are, deemed to be "underwriters" within the meaning of the Securities Act of 1933, and any discounts, concessions, commissions or fees received by them and any profit on the resale of the securities sold by them may be deemed to be underwriting discounts and commissions.

The selling shareholders may enter into hedging transactions with broker-dealers and the broker-dealers may engage in short sales of the securities in the course of hedging the positions they assume with the selling shareholders, including, without limitation, in connection with distributions of the securities by those broker-dealers. The selling shareholders may enter into option or other transactions with broker-dealers that involve the delivery of the common stock covered hereby to the broker-dealers, who may then resell or otherwise transfer those securities. The selling shareholders may also loan or pledge the common stock offered hereby to a broker-dealer and the broker-dealer may sell the common stock so loaned or upon a default may sell or otherwise transfer the pledged securities covered hereby.

The selling shareholders and other persons participating in the sale or distribution of the securities will be subject to applicable provisions of the Securities Exchange Act of 1934 and the related rules and regulations adopted by the SEC, including Regulation M. This regulation may limit the timing of purchases and sales of the common stock by the selling shareholders and any other person. The anti-manipulation rules under the Securities Exchange Act of 1934 may apply to sales of securities in the market and to the activities of the selling shareholders and their affiliates. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of the securities to engage in market-making activities with respect to the particular securities being distributed for a period of up to five business days before the distribution. These restrictions may affect the marketability of the common stock and the ability of any person or entity to engage in market-making activities with respect to the securities.

We cannot assure you that the selling shareholders will sell all or any portion of the common stock offered hereby.

We will supply the selling shareholders and any stock exchange upon which the securities are listed with reasonable quantities of copies of this prospectus. To the extent required by Rule 424 under the Securities Act of 1933 in connection with any resale or redistribution by the selling shareholders, we will file a prospectus supplement setting forth:

- the aggregate number of shares to be sold;
- the purchase price;
- the public offering price;

- if applicable, the names of any underwriter, agent or broker-dealer; and
- any applicable commissions, discounts, concessions, fees or other items constituting compensation to underwriters, agents or broker-dealers with respect to the particular transaction (which may exceed customary commissions or compensation).

If a selling shareholder notifies us that a material arrangement has been entered into with a broker-dealer for the sale of shares through a block trade, special offering, exchange, distribution or secondary distribution or a purchase by a broker or dealer, the prospectus supplement will include any other facts that are material to the transaction. If applicable, this may include a statement to the effect that the participating broker-dealers did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus.

A selling shareholder may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares against liabilities, including liabilities arising under the Securities Act.

The selling shareholders will pay any underwriting discounts and commissions and expenses incurred for brokerage, accounting, tax or legal services or any other expenses incurred by them in disposing of the shares. We will bear all other reasonable costs, fees and expenses incurred in effecting the registration of the shares of common stock covered by this prospectus, including, without limitation, all registration and filing fees, all national securities exchange or automated quotation system application and filing fees, blue sky registration and filing fees, and fees and expenses of our counsel and our accountants.

## DESCRIPTION OF CAPITAL STOCK

Set forth below is a description of our capital stock. The following statements are brief summaries of, and are subject to the provisions of, our articles of incorporation and bylaws and the relevant provisions of the Colorado Business Corporation Act.

### Authorized Capitalization

Our capital structure consists of 50,000,000 authorized shares of common stock, no par value per share, and 5,000,000 shares of preferred stock, \$1 par value per share. As of September 2, 2004, an aggregate of 6,054,607 shares of common stock were issued and outstanding and no shares of preferred stock were issued and outstanding. Our common stock is currently listed on the Nasdaq Small Cap Market under the symbol "AMOT."

### Voting Rights

Except as otherwise provided for any series of our preferred stock, all voting rights are vested in the holders of our common stock. Each holder of our common stock has one vote for each share held on each matter to be voted on by the shareholders of Allied Motion. There is no cumulative voting in the election of directors.

### Dividends

After all accumulated and unpaid dividends required to be paid upon any shares of preferred stock for all previous dividend periods have been paid or set apart, and after or concurrently with the setting aside of any and all amounts then required to be set aside for any sinking fund obligation, then dividends may be declared on and paid to the holders of our common stock.

## **Rights Upon Liquidation**

In the event of our voluntary or involuntary liquidation or dissolution, after payment in full of all amounts required to be paid to the holders of the preferred stock, the holders of our common stock are entitled to share ratably in all remaining assets of Allied Motion.

## **Relationship to Preferred Stock**

The rights of a holder of shares of our common stock will be subject to, and may be adversely affected by, the rights of holders of preferred stock that may be issued in the future. Our board of directors has the authority to divide any or all of the shares of preferred stock into, and to authorize the issuance of, one or more series of preferred stock. Before issuance of shares of each series, our board of directors is required to fix for each such series, subject to the provisions of Colorado law and our articles of incorporation, the powers, designations, preferences and other special rights of such series, including such provisions as may be desired concerning voting, redemption, dividends, dissolution or the distribution of assets, conversion or exchange, and such other matters as may be fixed by resolution of the board of directors.

## **Transfer Agent**

The registrar and transfer agent for shares of our common stock is American Stock Transfer & Trust Company.

## **LEGAL MATTERS**

The validity of the securities to be offered by this prospectus and certain other legal matters have been passed upon for us by Jaeckle Fleischmann & Mugel, LLP, Buffalo, New York.

## **EXPERTS**

The consolidated financial statements and schedules of Allied Motion Technologies Inc. and subsidiaries as of December 31, 2003 and 2002, and for the year ended December 31, 2003, the six-month period ended December 31, 2002 and for each of the years in the two-year period ended June 30, 2002, have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the consolidated financial statements as of December 31, 2003 and 2002, and for the year ended December 31, 2003, the six-month period ended December 31, 2002 and for each of the years in the two-year period ended June 30, 2002 refers to the adoption of Statements of Financial Accounting Standards No. 141 *Business Combinations* and No. 142 *Goodwill and Other Intangibles*, effective July 1, 2002.

**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 14. Other Expenses of Issuance and Distribution.**

The following table sets forth the various expenses in connection with the issuance and distribution of the securities. All amounts shown are estimated except the Securities and Exchange Commission registration fee.

Filing and Registration Fees	\$ 214
Legal Fees and Expenses	10,000
Accounting Fees and Expenses	7,500
Miscellaneous Expenses	1,286
	<hr/>
Total	\$ 19,000
	<hr/>

**Item 15. Indemnification of Directors and Officers.**

Section 7-108-402 of the Colorado Business Corporation Act ("CBCA") provides, generally, that the articles of incorporation of a Colorado corporation may contain a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director; except that any such provision may not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) acts specified in Section 7-108-403 (concerning unlawful distributions), or (iv) any transaction from which a director directly or indirectly derived an improper personal benefit. Such provision may not eliminate or limit the liability of a director for any act or omission occurring prior to the date on which such provision becomes effective. Our articles of incorporation provide eliminating a director's liability, except to the extent such exemption from liability is not permitted by the statute.

Section 7-109-103 of the CBCA provides that a Colorado corporation must indemnify a person (i) who is or was a director of the corporation or an individual who, while serving as a director of the corporation, is or was serving at the corporation's request as a director, an officer, and agent, an associate, an employee, a fiduciary, a manager, a member, a partner, a promoter, or a trustee of or to hold any similar position with, another corporation or other entity or of any employee benefit plan (a "Director") or officer of the corporation and (ii) who was wholly successful, on the merits or otherwise, in defense of any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal (a "Proceeding"), in which he was a party, against reasonable expenses incurred by him in connection with the Proceeding, unless such indemnity is limited by the corporation's articles of incorporation. Our articles of incorporation do not contain any such limitation, and provide that we must indemnify such persons satisfying the standards under this provision of the CBCA.

Section 7-109-102 of the CBCA provides, generally, that a Colorado corporation may indemnify a person made a party to a Proceeding because the person is or was a Director against any obligation incurred with respect to a Proceeding to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan) or reasonable expenses incurred in the Proceeding if the person conducted himself or herself in good faith and the person reasonably believed, in the case of conduct in an official capacity with the corporation, that the person's conduct was in the corporation's best interests and, in all other cases, his conduct was at least not opposed to the corporation's best interests and, with respect to any criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful. A corporation may not indemnify a Director in



connection with any Proceeding by or in the right of the corporation in which the Director was adjudged liable to the corporation or, in connection with any other Proceeding charging the Director derived an improper personal benefit, whether or not involving actions in an official capacity, in which Proceeding the Director was judged liable on the basis that he derived an improper personal benefit. Any indemnification permitted in connection with a Proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with such Proceeding. Our bylaws require us to indemnify such individuals in the circumstances permitted by the statute.

Under Section 7-109-107 of the CBCA, unless otherwise provided in the articles of incorporation, a Colorado corporation may indemnify an officer, employee, fiduciary, or agent of the corporation to the same extent as a Director and may indemnify such a person who is not a Director to a greater extent, if not inconsistent with public policy and if provided for by its bylaws, general or specific action of its board of directors or shareholders, or contract. Our bylaws require us to indemnify and advance expenses to any officer of the Company or any of its subsidiaries and any general manager of any division of the Company who is not a director to the maximum extent permitted by the statute consistent with public policy, and may indemnify and advance expenses to any other officer, employee or agent of the Company who is not a director to any extent permitted by the statute consistent with public policy as determined by the Board of Directors.

We have also entered into indemnification agreements with our directors to indemnify them and to advance expenses to the fullest extent permitted by law. In addition, the agreement provides that no claim or cause of action may be asserted by us against such director after the expiration of one year from the date the director ceases to be a director. We have also agreed to maintain directors' and officers' liability insurance, subject to certain limitations.

The above discussion of our articles of incorporation, bylaws, the CBCA and the indemnification agreements is only a summary and is qualified in its entirety by the full text of each of the foregoing.

**Item 16. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
3.1	Restated Articles of Incorporation filed with the Colorado Secretary of State on November 13, 1989 (filed herewith).
3.2	Amendment to Articles of Incorporation filed with the Colorado Secretary of State on September 29, 1993 (filed herewith).
3.3	Amendment to Articles of Incorporation filed with the Colorado Secretary of State on October 31, 2002 (filed herewith).
3.4	By-laws of the Company, amended and restated as of July 21, 2004 (filed herewith).
5	Opinion of Jaeckle Fleischmann & Mugel, LLP regarding legality of securities being registered (filed herewith).
23.1	Consent of KPMG LLP (filed herewith).
23.2	Consent of Jaeckle Fleischmann & Mugel, LLP (incorporated by reference to Exhibit 5 above).
24	Powers of Attorney (included on signature page).

**Item 17. Undertakings.**

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

*provided, however,* that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Sections 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## SIGNATURES AND POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Englewood, State of Colorado, on September 17, 2004.

ALLIED MOTION TECHNOLOGIES INC.

By: /s/ RICHARD D. SMITH

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Richard D. Smith  
Chief Financial Officer

## POWERS OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints each of Eugene E. Prince or Richard D. Smith his true and lawful attorney-in-fact and agent, each with full power of substitution and revocation, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each attorney-in-fact and agent, full power and authority to do and perform each such and every act and thing requisite and necessary to be done, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement and the foregoing Powers of Attorney have been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ EUGENE E. PRINCE	Chairman of the Board	September 17, 2004
Eugene E. Prince		
/s/ RICHARD D. SMITH	Director, Chief Executive Officer and Chief Financial Officer	September 17, 2004
Richard D. Smith		
/s/ DELWIN D. HOCK	Director	September 17, 2004
Delwin D. Hock		
/s/ GRAYDON D. HUBBARD	Director	September 17, 2004
Graydon D. Hubbard		
/s/ GEORGE J. PILMANIS	Director	September 17, 2004
George J. Pilmanis		
/s/ MICHEL M. ROBERT	Director	September 17, 2004
Michel M. Robert		



**RESTATED  
ARTICLES OF INCORPORATION  
HATHAWAY CORPORATION**

Pursuant to the provisions of the Colorado Corporation Act, the undersigned corporation adopts the following (Restated) Articles of Incorporation:

FIRST: The name of the corporation is Hathaway Corporation.

SECOND: These restated articles only restate and integrate and do not further amend the provisions of the corporation's articles of incorporation as theretofore amended or supplemented. There is no discrepancy between such articles of incorporation with such amendments or supplements and the provisions of these restated articles. All amendments were approved by a vote of the shareholders and the number of shares voted for all articles was sufficient for approval. The restated articles of incorporation supersede the original articles of incorporation and all amendments and supplements thereto.

**ARTICLE I**

The name of the corporation is:

HATHAWAY CORPORATION

**ARTICLE II**

The period of duration of the corporation shall be perpetual.

**ARTICLE III**

The purposes for which the corporation is organized are as follows:

1. To manufacture, produce, prepare, process, purchase, or otherwise acquire, and to sell, market, trade, and deal in and with products of every kind and character; and to manufacture, produce, purchase, or otherwise acquire, and to sell, trade, market, and deal in and with any and all materials, machinery, appliance, or supplies proper or adapted to be used in or in connection with or incidental to the manufacture, production, processing or preparation of any of the products aforesaid.
  2. To carry on research and development of products and processes of every kind and character, including but not being limited to, carrying on investigations and experiments of all kinds, originating, developing, improving, recording and preserving any and all discoveries, inventions, processes, formulae and improvements.
  3. To purchase or otherwise acquire, and to own, hold, maintain, work, develop, sell, convey, mortgage, lease, or otherwise dispose of, without limit as to amount, and in any part of the world, real, personal, and mixed property, and any interests and rights therein.
  4. To adopt, apply for, obtain, register, produce, take, purchase, exchange, lease, hire, acquire, secure, own, hold, use, operate, contract, or negotiate for, take licenses or other rights in respect of, sell, transfer, grant licenses and rights in respect of, manufacture under, introduce, sell, assign, collect the royalties on, mortgage, pledge, create liens upon, or otherwise dispose of, deal in, and turn to account, letters patent, patents, patent rights, patents applied for or to be applied for, and all improvements and processes used in connection with or secured under such patents or patent rights, trade-marks, trade names and symbols, distinction marks and indications of origin and ownership, copyrights, syndicate rights, inventions, discoveries, devices, machines, improvements, licenses, processes, data, and formulae of any and all kinds granted by, or recognized under or pursuant to laws of the United States of America, or of
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any other country or countries whatsoever and with a view to the working and development of same, to carry on any business, whether manufacturing or otherwise, which the corporation may think calculated directly or indirectly to effectuate these objects or any lawful corporate object.

5. To purchase, lease, exchange, hire, or otherwise acquire, to take, own, use, and hold, and to sell, convey, mortgage, lease or otherwise dispose of any rights, privileges, permits, or franchises suitable or convenient for any of the purposes of the business, including all rights-of-way, easements, franchises, and rights thereto, and to deal in and with the same in every way.
6. To acquire the good will, rights, and property of any kind, and to undertake the whole or any part of the assets, tangible or intangible, or liabilities of any person, firm, association, or corporation useful, necessary, or convenient in connection with the purposes of this corporation; to become a member of any partnership, or party to any lawful agreement for sharing profits, or to any union or existing agreement for reciprocal concession, joint adventure, or cooperation, or mutual trade arrangements with any person, firm, association, or corporation engaged in or about to engage in any business which this corporation is authorized to engage in or carry on, or which is engaged in or about to engage in any business or transaction capable of being conducted so as directly or indirectly to benefit this corporation, and to lend money, subsidize, or otherwise assist any such person, firm, association of which any stocks, bonds, or other evidences of indebtedness, or securities are held, directly or indirectly, by, this corporation, and for this purpose to guarantee the contracts, dividends, stocks, bonds, notes and other obligations of such other corporations or associations; and to do any other acts or things designed to protect, preserve, improve, or enhance the value of such stocks, bonds or other evidences of indebtedness or securities.
7. To carry on any other business or activity which may be carried on by corporations organized under the statutes of the State of Colorado.
8. To do everything necessary, proper, advisable, or convenient for the accomplishment of the purposes hereinabove set forth, and to do all other things incidental thereto or connected therewith which are not forbidden by the statutes of the State of Colorado, by any other law, or by these Articles of Incorporation.
9. To carry out the purposes hereinabove set forth in any state, territory, district, possession, or dependency or any political subdivision thereof, of the United States of America, or in any foreign country, colony or political subdivision thereof, to the extent that such purposes are not forbidden by the law of such state, territory, district, possession or dependency, or political subdivision thereof, of the United States of America or by such foreign country, colony or political subdivision thereof.

#### **ARTICLE IV**

In furtherance of the purposes set forth in Article III of these Articles of Incorporation, the corporation shall have and may exercise all of the rights, powers, and privileges now or hereafter conferred upon corporations organized under and pursuant to the laws of the State of Colorado. In addition, the corporation may do everything necessary, suitable or proper for the accomplishment of any of its corporate purposes.

## ARTICLE V

The corporation shall have the authority to issue 55,000,000 shares of capital stock, comprised of 5,000,000 shares of Preferred Stock, each of which shall have a par value of \$1.00 per share, and 50,000,000 shares of Common Stock without par value.

The holders of the shares of capital stock shall not have any preemptive right to acquire unissued or treasury shares of capital stock or securities convertible into such shares or carrying a right to subscribe to or acquire such shares. There shall be no cumulative voting of any shares of capital stock with respect to the election of directors. The corporation shall have the right to restrict the transfer of any or all shares of capital stock at the time of issuance, or thereafter with the consent of the holder or holders of the shares to be restricted, the terms of said restriction to be clearly legended on the certificate or certificates representing such shares and set forth in the stock transfer records of the corporation.

A statement of the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions granted to or imposed upon the shares of each class of capital stock, except as the Board of Directors of the corporation is herein authorized to determine by resolution, are as follows:

### A. COMMON STOCK

1. *Voting Rights.* Except as expressly provided by law, or as otherwise provided in Part B below, or by resolution of the Board of Directors pursuant to the authority granted under Part B below, all voting, rights shall be vested in the holders of the Common Stock. Each holder of Common Stock shall be entitled to one vote for each share held on each matter to be voted on by the shareholders of the corporation, except as otherwise provided in these Articles or by law.

2. *Dividends.* After all accumulated and unpaid dividends required to be paid upon any shares of Preferred Stock for all previous dividend periods shall have been paid, and sums sufficient for full payment of the dividends on all shares of Preferred Stock declared for the then current dividend period have been set apart, and after or concurrently with the setting aside of any and all amounts then required to be set aside for any sinking fund obligation or obligation of a similar nature in respect of any series of Preferred Stock, then and not otherwise, and subject to any other applicable provisions of Part B hereof, dividends may be declared upon and paid to the holders of the Common Stock, to the exclusion of the holders of the Preferred Stock. No other restriction shall be applicable to payment of dividends on the Common Stock of the corporation.

3. *Rights Upon Liquidation.* In the event of voluntary or involuntary liquidation or dissolution of the corporation, after payment in full of all amounts required to be paid to the holders of the Preferred Stock, the holders of the common Stock shall be entitled, to the extent not otherwise limited by the terms of any series of Preferred Stock then outstanding, to share ratably in all remaining assets of the corporation.

### B. PREFERRED STOCK

1. *General.* The Board of Directors shall have authority, by resolution, to divide any or all of the shares of Preferred Stock into, and to authorize the issuance of, one or more series and with respect to each such series to establish and, prior to issuance, to determine and fix:

(a) a distinguishing designation for such series and the number of shares comprising such series, which number may be increased or decreased from time to time (but not below the number of shares then outstanding) by action of the Board of Directors;

(b) the rate and times at which and the other conditions upon which dividends on the shares may be declared and paid or set aside for payment, whether dividends shall be cumulative, and the date from which any dividends shall accrue;

(c) whether or not the shares shall be redeemable and, if so, the price and the terms and conditions of such redemption;

(d) the amounts payable by preference or otherwise upon shares in the event of voluntary or involuntary liquidation, dissolution, winding up or distribution of the assets of the corporation;

(e) whether any shares shall be redeemed through sinking fund payments and, if so, on what terms;

(f) whether the shares shall be convertible or exchangeable, and, if so, the terms and conditions of such conversion or exchange;

(g) whether or not the shares shall have voting rights, including the right to vote as a class on designated matters such as, but not by way of limitation, the merger, consolidation or sale of substantially all the corporation's assets, or the approval of designated action by a greater than two-thirds affirmative vote, and, if so, the terms and conditions thereof and any limitations thereon;

In the resolution establishing a new series of Preferred Stock, the Board of Directors may provide for any other relative powers, preferences, rights, qualifications, limitations and restrictions of such series as are consistent with the rights of all outstanding shares of capital stock, with all other provisions of this Article V, and with Colorado law.

All shares of Preferred Stock of all series shall be identical except as to the above mentioned rights and preferences which the Board of Directors is authorized as aforesaid to fix and determine. Except to the extent that the resolution of the Board of Directors establishing a particular series shall otherwise provide, in the event amounts payable upon liquidation of all series are not paid in full, all shares of Preferred Stock of all series having a liquidation preference shall participate ratably in any distribution in accordance with the sums which would be payable on such distribution if all sums payable thereon to holders of all shares of Preferred Stock were discharged in full.

Shares of Preferred Stock of any series redeemed, purchased or otherwise acquired may be cancelled by the Board of Directors and thereupon restored to the status of authorized but unissued shares of Preferred Stock undesignated as to series.

#### **ARTICLE VI**

The cumulative system of voting shall not be used for any purpose.

#### **ARTICLE VII**

No holder of any of the shares of the capital stock of the corporation shall be entitled as of right to purchase or subscribe for any unissued or treasury shares of the corporation of any class or for any additional shares of the corporation of any class to be issued by reason of any increase of the authorized shares of the corporation of any class, or for any bonds, certificates of indebtedness, debentures, or other securities, rights, warrants or options convertible into shares of the corporation of any class or carrying any right to purchase shares of the corporation of any class.

#### **ARTICLE VIII**

No contract or other transaction between the corporation and any other person, firm, partnership, corporation, joint venture or syndicate shall be in any way affected or invalidated by the fact that any



director of the corporation is pecuniarily or otherwise interested in, or is a director, officer, shareholder, employee or member of such other firm, partnership, corporation, joint venture or syndicate, if such contract shall be authorized, approved or ratified by the affirmative vote of the majority of the directors of the corporation present who are not so interested. Any director individually, or any firm, partnership, joint venture or syndicate of which any director is a partner or in any way interested, may be a party to or may be interested in any contract or transaction of the corporation provided that such interest is disclosed or known to the Board of Directors, or a majority thereof, and provided, further, that such contract or transaction is authorized, approved or ratified by the affirmative vote of at least a majority of the directors of the corporation present who are not so interested. Interested directors may be counted when present at meetings of the Board of Directors for the purpose of determining the existence of a quorum.

#### **ARTICLE IX**

9.1 *Number, Election and Terms.* The business and affairs of the Corporation shall be managed by a Board of from three to six directors.

9.2 *Election of Directors.* Directors to be elected shall be elected at the annual meeting of shareholders or an adjournment thereof. Directors shall be elected upon receiving the affirmative vote of the holders of at least two-thirds of the shares of the Corporation entitled to vote thereon. Each Director shall hold office for the term for which he is elected and until his successor has been elected and qualified.

9.3 *Removal.* The entire Board of Directors or any lesser number may be removed, with or without cause, by a vote of at least two-thirds of the shares then entitled to vote at an election of directors.

#### **ARTICLE X**

The corporation reserves the right to amend, alter, change or repeal any provision contained in, or to add any provisions to, its Articles of Incorporation from time to time, in any manner now or hereafter prescribed or permitted by the provisions of the statutes of the State of Colorado, and all rights and powers conferred upon directors and shareholders hereby are granted subject to this reservation.

#### **ARTICLE XX**

No director of the corporation shall have any liability to the corporation or to its shareholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof is not permitted under the Colorado Corporation Code, as amended from time to time. Any repeal or modification of the foregoing sentence shall not adversely affect any right or protection of a director of the corporation existing hereunder in respect of any act or omission occurring prior to the time of such repeal or modification.

#### **ARTICLE XII**

12.1 *Vote Required for Certain Business Combinations.* The affirmative vote of the holders of not less than thirds of the shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the affirmative vote of not less than two-thirds of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to be voted thereon shall be required for the approval or authorization of any "Business Combination" (as hereinafter defined) of the Corporation; provided, however, that the two-thirds voting requirement shall not be applicable and the affirmative vote of the holders of not less than a majority of the shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the

affirmative vote of not less than a majority of the shares of each class of shares entitled to vote thereon as a class and of the total, shares entitled to be voted thereon shall be required if the "Continuing Directors" (as hereinafter defined) of the Corporation by at least a two-thirds vote have expressly approved such Business Combination.

12.2 *Definition.* Certain words and terms as used in this Article XII shall have the meanings given to them by the definitions and descriptions in this Section.

(a) *Business Combination.* The term "Business Combination", in a situation requiring approval by a vote of shareholders of this Corporation, shall mean (i) any merger or consolidation of the Corporation or a subsidiary of the Corporation with another party, (ii) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or any other security device, of all or any Substantial Part (as hereinafter defined) of the assets either of the Corporation (including without limitation, any voting securities of a subsidiary of the Corporation) or of a subsidiary of the Corporation to another party, (iii) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or other security device, of all or any Substantial Part of the assets of another party to the Corporation or a subsidiary of the Corporation, (iv) the issuance or transfer by the Corporation or any subsidiary of the Corporation of any securities of the Corporation or a subsidiary of the Corporation to another party, (v) any reclassification of securities, recapitalization or other comparable transaction involving the Corporation that would, have the effect of increasing the voting power of any other party with respect to Voting Stock of the Corporation, and (vi) any agreement, contract or other arrangement providing for any of the transactions described in this definition of Business Combination. A Business Combination does not include a distribution of property in kind (including securities of a subsidiary of the Corporation) pro rata to the Corporation's shareholders.

(b) *Voting Stock.* The term "Voting Stock" shall mean all of the outstanding shares of Common Stock of the Corporation and any outstanding shares of Preferred Stock entitled to vote on each matter on which the holders of record of Common Stock shall be entitled to vote, and each reference to a proportion of shares of Voting Stock shall refer to such proportion of the votes entitled to be cast by such shares.

(c) *Continuing Director.* The term "Continuing Director" shall mean a Director who was a member of the Board of Directors of the Corporation immediately prior to the time that the Corporation became involved in a Business Combination.

(d) *Substantial Part.* The term "Substantial Part" shall mean more than 20 percent of the fair market value as determined by two-thirds of the Continuing Directors of the total consolidated assets of the Corporation and its subsidiaries taken as a whole as of the end of its most recent fiscal year ended prior to the time the determination is being made.

(e) *Subsidiary.* The term "Subsidiary" shall mean, with reference to any entity, any corporation of which an amount of voting securities, sufficient to elect at least a majority of the directors of such corporation, is beneficially owned directly or indirectly, by such entity, or otherwise controlled by such entity.

12.3 *Determination by the Continuing Directors.* In making any determinations, the Continuing Directors may engage such persons, including investment banking firms and the independent accountants who have reported on the most recent financial statements of the Corporation, and utilize employees and agents of the Corporation, who will, in the judgment of the Continuing Directors, be of assistance to the Continuing Directors. Any determinations made by the Continuing Directors, acting in good faith on the basis of such information and assistance, as was then reasonably available for such purposes, shall be conclusive and binding upon the Corporation and its shareholders.

HATHAWAY CORPORATION

By: /s/ EUGENE E. PRINCE

\_\_\_\_\_  
(Its President)

By: /s/ RICHARD G. SNOW, JR.

\_\_\_\_\_  
(Its Secretary)

STATE OF COLORADO            )  
  )  
CITY OF BROOMFIELD         )  
  )  
SS. COUNTY OF BOULDER      )

I, Rosemary B. Keener, a Notary Public within and for the State of Colorado, do hereby certify that Eugene E. Prince and Richard G. Snow, Jr., known to me to be the persons whose names are subscribed to the annexed and foregoing Restated Articles of Incorporation, appeared before me this day in person and who being by me first duly sworn severally acknowledge and declare that they signed, sealed, executed and delivered the said instrument of writing as their free and voluntary act and deed for the uses and purposes therein set forth, and that the statements therein contained are true.

I do further certify that my notarial commission will expire on the 20th day of March, 1990.

Given under my hand and notarial seal this 10th day of November, 1989

/s/ ROSEMARY B. KEENER

\_\_\_\_\_  
Notary Public

(SEAL)

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[RESTATED ARTICLES OF INCORPORATION HATHAWAY CORPORATION](#)

**ARTICLES OF AMENDMENT  
to  
ARTICLES OF INCORPORATION  
of  
HATHAWAY CORPORATION**

Pursuant to the provisions of the Colorado Corporation Code, the undersigned Corporation adopts the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the Corporation is Hathaway Corporation.

SECOND: The following amendment to the Articles of Incorporation was adopted on November 20, 1992, as prescribed by the Colorado Corporation Code. Such amendment was adopted by a vote of the shareholders. The number of shares voted for the amendment was sufficient for approval.

Article XII of the Articles of Incorporation is amended in its entirety as follows:

**ARTICLE XII**

12.1 *Vote Required for Certain Business Combinations.* The affirmative vote of the holders of not less than two-thirds of the shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the affirmative vote of not less than two-thirds of the shares of each class of shares entitled to vote thereon as a class, and of the total shares entitled to be voted thereon, shall be required for the approval or authorization of any "Business Combination" (as hereinafter defined) of the Corporation; provided, however, that the two-thirds voting requirement shall not be applicable and the affirmative vote of the holders of not less than a majority of the shares entitled to vote thereon shall be required, unless any class of shares is entitled to vote thereon as a class, in which event the affirmative vote of not less than a majority of the shares of each class of shares entitled to vote thereon as a class, and of the total shares entitled to be voted thereon, shall be required if the "Continuing Directors" (as hereinafter defined) of the Corporation by at least a two-thirds vote have expressly approved such Business Combination.

12.2 *Definition.* Certain words and terms as used in this Article XII shall have the meanings given to them by the definitions and descriptions in this Section.

(a) *Business Combination.* The term "Business Combination" shall mean (i) any merger, consolidation or share exchange of the Corporation or a Subsidiary of the Corporation with another party, (ii) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or any other security device, of all or any Substantial Part (as hereinafter defined) of the assets either of the Corporation (including without limitation, any voting securities of a Subsidiary of the Corporation) or of a Subsidiary of the Corporation to another party, (iii) any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or other security device, of all or any Substantial Part of the assets of another party to the Corporation or a Subsidiary of the Corporation, (iv) the issuance or transfer by the Corporation or any Subsidiary of the Corporation of any securities of the Corporation or a Subsidiary of the Corporation to another party, (v) any reclassification of securities, recapitalization or other comparable transaction involving the Corporation that would have the effect of increasing the voting power of any other party with respect to Voting Stock of the Corporation, and (vi) any agreement, contract or other arrangement providing for any of the transactions described in this definition of Business Combination; provided, however, the term Business Combination shall not include (except for purposes of the definition of Continuing Directors) any such transaction if the approval of such transaction by shareholders of the Corporation is not then required under Colorado law and the Continuing Directors of the Corporation by at least a two-thirds vote have expressly approved or ratified the transaction, and

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provided, further, the term Business combination does not include a distribution of property in kind (including securities of the Corporation or of a Subsidiary of the Corporation) pro rata to the Corporation's shareholders.

(b) *Voting Stock.* The term "Voting Stock" shall mean all of the outstanding shares of Common Stock of the Corporation and any outstanding shares of Preferred Stock entitled to vote on each matter on which the holders of record of Common Stock shall be entitled to vote, and each reference to a proportion of shares of Voting Stock shall refer to such proportion of shares of Voting Stock shall refer to such proportion of the votes entitled to be cast by such shares.

(c) *Continuing Director.* The term "Continuing Director" shall mean a Director who was a member of the Board of Directors of the Corporation immediately prior to the time that the Corporation became involved in a Business Combination.

(d) *Substantial Part.* The term "Substantial Part" shall mean more than 20 percent of the fair market value as determined by two-thirds of the Continuing Directors of the total consolidated assets of the Corporation and its subsidiaries taken as a whole as of the end of its most recent fiscal year ended prior to the time the determination is being made.

(e) *Subsidiary.* The term "Subsidiary" shall mean, with reference to any entity, any corporation of which an amount of voting securities sufficient to elect at least a majority of the directors of such corporation is beneficially owned directly or indirectly, by such entity, or otherwise controlled by such entity.

12.3 *Determination by the Continuing Directors.* In making any determinations, the Continuing Directors may engage such persons, including investment banking firms and the independent accountants who have reported on the most recent financial statements of the Corporation, and utilize employees and agents of the Corporation, who will, in the judgment of the Continuing Directors, be of assistance to the Continuing Directors. Any determinations made by the Continuing Directors, acting in good faith on the basis of such information and assistance as was then reasonably available for such purposes, shall be conclusive and binding upon the Corporation and its shareholders.

IN WITNESS WHEREOF, the foregoing Articles of Amendment to Articles of Incorporation have been executed by the undersigned officers of the corporation thereunto duly authorized who affirm and acknowledge, under penalties of perjury, that the foregoing Articles of Amendment to Articles of Incorporation are the act and deed of the corporation and that the facts stated therein are true.

Hathaway Corporation

By /s/ EUGENE E. PRINCE

\_\_\_\_\_  
Its President

By /s/ RICHARD D. SMITH

\_\_\_\_\_  
Its Secretary

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[ARTICLES OF AMENDMENT to ARTICLES OF INCORPORATION of HATHAWAY CORPORATION](#)

**ARTICLES OF AMENDMENT TO  
ARTICLES OF INCORPORATION (PROFIT)**

Form 205 Revised July 1, 2002

Filing fee: \$25.00

Deliver to: Colorado Secretary of State

Business Division

1560 Broadway, Suite 200

Denver, CO 80202-5169

This document must be typed or machine printed

Copies of filed documents may be obtained at [www.sos.state.co.us](http://www.sos.state.co.us)

ABOVE SPACE FOR OFFICE USE ONLY

Pursuant to § 7-110-106, Colorado Revised Statutes (C.R.S.), the individual named below causes these Articles of Amendment to its Articles of Incorporation to be delivered to the Colorado Secretary of State for filing, and states as follows:

1. The name of the corporation is: *Hathaway Corporation*

*(If changing the name of the corporation, indicate name of corporation BEFORE the name change)*

2. The date the following amendment(s) to the Articles of Incorporation was adopted: *10/24/02*

3. The text of each amendment adopted (include attachment if additional space needed):

*Article I is amended to read: "The name of the corporation is Allied Motion Technologies Inc."*

4. If *changing* the corporation name, the *new name* of the corporation is:

*Allied Motion Technologies Inc.*

5. If providing for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself: *N/A*

6. Indicate manner in which amendment(s) was adopted (mark -only one):

- No shares have been issued or Directors elected—Adopted by Incorporators(s)
- No shares have been issued but Directors have been elected—Adopted by the board of directors
- Shares have been issued but shareholder action was not required—Adopted by the board of directors
- The number of votes cast for the amendment(s) by each voting group entitled to vote separately on the amendment(s) was sufficient for approval by that voting group—Adopted by the shareholders

7. Effective date (if not to be effective upon filing) *Upon filing (Not to exceed 90 days)*

8. The (a) name or names, and (b) mailing address or addresses, of any one or more of the individuals who cause this document to be delivered for filing, and to whom the Secretary of State may deliver notice if filing of this document is refused, are: *Garth C. Grissom, Esq. Sherman & Howard L.L.C., 633 17th St., #3000, Denver, CO 80202*

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[ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION \(PROFIT\)](#)

**BYLAWS  
OF  
ALLIED MOTION TECHNOLOGIES INC.**

**ARTICLE I. OFFICES**

**§1.1 Business Office.**

The principal office of the corporation shall be located at any place either within or outside the state of Colorado as designated in the corporation's most current Annual Report filed with the Colorado Secretary of State. The corporation may have such other offices, either within or without the State of Colorado as the board of directors may designate or as the business of the corporation may require from time to time.

**§1.2 Registered Office.**

The registered office of the corporation required by C.R.S. §7-105-101 may, but need not, be identical with the principal office (if located within Colorado). The address of the registered office may be changed from time to time.

**ARTICLE II. SHAREHOLDERS**

**§2.1 Annual Shareholder Meeting.**

The annual meeting of the shareholders shall be held within 180 days after the close of the corporation's fiscal year at a time and date as is determined by the board of directors for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

**§2.2 Special Shareholder Meetings.**

(a) *Authority.* Special meetings of the shareholders, for any purpose or purposes described in the meeting notice, may be called by the president or by the board of directors and shall be called by the president at the request of the holders of not less than one-tenth of all outstanding votes of the corporation entitled to be cast on any issues at the meeting.

(b) *Procedure.* If a special meeting is called by any person or persons other than the board of directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the board of directors of the corporation. No business may be transacted at such special meeting other than specified in such notice. The board of directors shall determine the time and place of such special meeting, which shall be held not less than 30 nor more than 120 days after the date of the receipt of the request. The chairman shall cause notice to be given to the shareholders entitled to vote. If the notice is not given within 60 days after the receipt of the request, the persons or person requesting the meeting may set the time and place of the meeting and give the notice. Nothing contained in this paragraph (b) shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the board of directors may be held.

**§2.3 Place of Shareholder Meeting.**

Meetings of shareholders may be held in or out of the state of Colorado at locations fixed by the board of directors. If no designation is made the place of meeting shall be the principal office of the corporation in the state of Colorado.

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#### **§2.4 Notice of Shareholder Meeting.**

(a) *Time, Place, Purpose, Effective.* Written notice stating the place, date, and hour of the meeting shall be given not less than 10 nor more than 60 days before the date of the meeting, except that (i) if the number of authorized shares is to be increased, at least 30 days notice shall be given, or (ii) any other notice requirement of the Colorado Business Corporation Act (herein referred to as the "Act") shall be provided. Notice of a special meeting shall include a description of the purpose or purposes of the meeting. Notice of an annual meeting need not include a description of the purpose or purposes of the meeting unless required by the Act, the articles of incorporation or these bylaws. Notice shall be given personally or by mail, private carrier, telegraph, teletype, electronically transmitted facsimile or other form of wire or wireless communication by or at the direction of the chairman or the president or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. Notice shall be deemed to be effective at the earlier of: (i) when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid; (ii) on the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; (iii) when received; or (iv) 5 days after deposit in the United States mail if mailed postpaid and correctly addressed to an address other than that shown in the corporation's current record of shareholders.

(b) *Undeliverable Notice.* No notice need be sent to any shareholder if three successive notices mailed to the last known address of such shareholder have been returned as undeliverable until such time as another address for such shareholder is made known to the corporation by such shareholder. In order to be entitled to receive notice of any meeting, a shareholder shall advise the corporation in writing of any change in such shareholder's mailing address as shown on the corporation's books and records.

(c) *Adjourned Meeting.* When a meeting is adjourned to another date, time or place, notice need not be given of the new date, time or place if the new date, time or place of such meeting is announced before adjournment at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which may have been transacted at the original meeting. If the adjournment is for more than 120 days, or if a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting as of the new record date.

#### **§2.5 Waiver of Notice.**

A shareholder may waive notice of a meeting before or after the time and date of the meeting by a writing signed by such shareholder. Such waiver shall be delivered to the corporation for filing with the corporate records. Further, by attending a meeting either in person or by proxy a shareholder waives objection to lack of notice or defective notice of the meeting unless the shareholder objects at the beginning of the meeting to the holding of the meeting or the transaction of business at the meeting because of lack of notice or defective notice. By attending the meeting, the shareholder also waives any objection to consideration at the meeting of a particular matter not within the purpose or purposes described in the meeting notice unless the shareholder objects to considering the matter when it is presented.

#### **§2.6 Fixing of Record Date.**

(a) *Meetings, Distributions.* For the purpose of determining shareholders entitled to (i) notice of or vote at any meeting of shareholders or any adjournment thereof, (ii) receive distributions or share dividends, or (iii) demand a special meeting, or to make a determination of

shareholders for any other proper purpose, the board of directors may fix a future date as the record date for any such determination of shareholders, such date in any case to be not more than seventy days, and, in case of a meeting of shareholders, not less than ten days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is fixed by the directors, the record date shall be the date on which notice of the meeting is mailed to shareholders, or the date on which the resolution of the board of directors providing for a distribution is adopted, as the case may be. When a determination of shareholders entitled to vote at any meeting of shareholders is made as provided in this section such determination shall apply to any adjournment thereof unless the board of directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

(b) *Consent Action, Shareholder Demands.* The record date for determining the shareholders entitled to take action without a meeting shall be the date a writing upon which the action is taken is first received by the corporation. The record date for determining shareholders entitled to demand a special meeting shall be the date of the earliest of any of the demands pursuant to which the meeting is called.

## **§2.7 Organization of Shareholder Meeting.**

(a) *Officers of the Meeting.* The chairman of the board of directors shall preside at each meeting of shareholders or, if a chairman of the board of directors has not been appointed or is absent, the chief executive officer or president, in that order, if present, shall preside. In the absence of any such officers, any director present shall preside and if there be more than one director present, a director chosen by majority vote of those directors present shall preside. If no presiding officer is selected as provided above, the meeting shall be chaired by a person chosen by the vote of a majority in interest of the shareholders present in person or represented by proxy and entitled to vote thereat. The secretary or in his or her absence an assistant secretary or in the absence of the secretary and all assistant secretaries a person whom the chairman of the meeting shall appoint shall act as secretary of the meeting and keep a record of the proceedings thereof.

(b) *Conduct of Meeting.* The board of directors of the corporation shall be entitled to make such rules or regulations for conduct of meetings of shareholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the board of directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting including, without limitation, establishing (i) an agenda or order of business for the meeting, (ii) rules and procedures for maintaining order at the meeting and the safety of those present, (iii) limitations on participation in such meeting to shareholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof, (v) limitations on the time allotted to questions or comment by participants, and (vi) regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless and to the extent determined by the board of directors or the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with rules of parliamentary procedure.

(c) *Business Brought Before the Meeting.* At an annual meeting of the shareholders only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting business must be: (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (ii) otherwise properly brought before the meeting by or at the direction of the board of directors, or (iii) otherwise properly brought before the meeting by a shareholder. For business to be properly

brought before an annual meeting by a shareholder, including any proposal relating to the nomination of a person under §2.15 to be elected to the Board of Directors of the corporation, the shareholder must have given timely notice thereof in writing to the secretary of the corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal office of the corporation not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting of shareholders; *provided, however*, that in the event no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, notice by the shareholder to be timely must be so received at a reasonable time before the solicitation is made. A shareholder's notice to the secretary shall set forth: (i) as to each person whom the shareholder proposes to nominate for election or reelection as a director, the information required to be provided pursuant to §2.15, (ii) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (iii) the name and address, as they appear on the corporation's books, of the shareholder proposing such business, (iv) the class and number of shares of the corporation which are beneficially owned by the shareholder, and (v) any material interest of the shareholder in such business. Notwithstanding the foregoing, in order to include information with respect to a shareholder proposal in the proxy statement and form of proxy for a shareholder's meeting, shareholders must provide notice as required by the regulations promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"). Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this §2.7(c). The chairman of the annual meeting shall, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this §2.7(c), and, if he should so determine, he shall so declare at the meeting that any such business not properly brought before the meeting shall not be transacted.

### **§2.8 Recognition Procedure for Beneficial Owners.**

The board of directors may adopt by resolution a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons. The resolution may set forth (i) the types of nominees to which it applies, (ii) the rights or privileges that the corporation will recognize in a beneficial owner, which may include rights and privileges other than voting, (iii) the form of certification and the information to be contained therein, (iv) if the certification is with respect to a record date, the time within which the certification must be received by the corporation, (v) the period for which the nominee's use of the procedure is effective, and (vi) such other provisions with respect to the procedure as the board deems necessary or desirable. Upon receipt by the corporation of a certificate complying with the procedure established by the board of directors, the persons specified in the certification shall be deemed, for the purpose or purposes set forth in the certification, to be the registered holders of the number of shares specified in place of the shareholder making the certification.

### **§2.9 Shareholder List.**

The secretary shall make a complete record of the shareholders entitled to vote at each meeting of shareholders arranged in alphabetical order, with the address of and the number of shares held by each. The list must be arranged by voting group (if such exists), and within each voting group by class or series of shares. The shareholder list must be available for inspection by any shareholder beginning at the earlier of 10 days before the meeting or 2 business days after notice of the meeting is given for which the list was prepared and continuing through the meeting. The list shall be available at the

corporation's principal office or at a place identified in the meeting notice in the city where the meeting is to be held. A shareholder, his agent or attorney, is entitled on written demand to inspect and, subject to the requirements of §2.17, to copy the list during regular business hours, and at his expense, during the period it is available for inspection. The corporation shall maintain the shareholder list in written form or in another form capable of conversion into written form within a reasonable time.

#### **§2.10 Shareholder Quorum and Voting Requirements.**

Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. A majority of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for action on that matter.

If voting by two or more voting groups on a matter is permitted or required, action on that matter is taken only when voted upon by each of those voting groups counted separately. Action may be taken by one voting group on a matter even though no action is taken by another voting group entitled to vote on the matter.

Once a share is represented for any purpose at a meeting it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

If a quorum exists, action on a matter by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required.

#### **§2.11 Proxies.**

At all meetings of shareholders a shareholder may vote by proxy by signing an appointment form or similar writing, either personally or by his duly authorized attorney-in-fact. A shareholder may also appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype or other electronic transmission providing a written statement of the appointment to the proxy, a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy, or to the corporation. The transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the shareholder transmitted or authorized the transmission of the appointment. The proxy appointment form or similar writing shall be filed with the secretary of the corporation before or at the time of the meeting. The appointment of a proxy is effective when received by the corporation and is valid for eleven months unless a different period is expressly provided in the appointment form or similar writing.

Any complete copy, including an electronically transmitted facsimile, of an appointment of a proxy may be substituted for or used in lieu of the original appointment for any purpose for which the original appointment could be used.

Revocation of a proxy does not affect the right of the corporation to accept the proxy's authority unless (i) the corporation had notice that the appointment was coupled with an interest and notice that such interest has been extinguished is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment, or (ii) other notice of the revocation of the appointment is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment. Other notice of revocation may, in the discretion of the corporation, be deemed to include the appearance at a shareholders' meeting of the shareholder who granted the proxy and his voting in person on any matter subject to a vote at such meeting.

The death or incapacity of the shareholder appointing a proxy does not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment.

The corporation shall not be required to recognize an appointment made irrevocable if it has received a writing revoking the appointment signed by the shareholder (including a shareholder who is successor to the shareholder who granted the proxy) either personally or by his attorney-in-fact, notwithstanding that the revocation may be a breach of an obligation of the shareholder to another person not to revoke the appointment.

Subject to §2.13 and any express limitation on the proxy's authority appearing on the appointment form, the corporation is entitled to accept the proxy's vote or other action as that of the shareholder making the appointment.

#### **§2.12 Voting of Shares.**

Each outstanding share entitled to vote shall be entitled to one vote and each fractional share shall be entitled to a corresponding fractional vote upon each matter submitted to a vote at a meeting of shareholders.

Except as provided by specific court order, no shares held by another corporation, if a majority of the shares entitled to vote for the election of directors of such other corporation are held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting; *provided, however*, the prior sentence shall not limit the power of the corporation to vote any shares, including its own shares, held by it in a fiduciary capacity.

#### **§2.13 Corporation's Acceptance of Votes.**

(a) *Corresponds to Name of Shareholder.* If the name signed on a vote, consent, waiver, proxy appointment or proxy appointment revocation corresponds to the name of a shareholder, the corporation, if acting in good faith, is entitled to accept the vote, consent, waiver, proxy appointment or proxy appointment revocation and give it effect as the act of the shareholder.

(b) *Does not Correspond.* If the name signed on a vote, consent, waiver, proxy appointment or proxy appointment revocation does not correspond to the name of a shareholder, the corporation, if acting in good faith, is nevertheless entitled to accept the vote, consent, waiver, proxy appointment or proxy appointment revocation and give it effect as the act of the shareholder if:

(1) the shareholder is an entity as defined in the Act and the name signed purports to be that of an officer or agent of the entity;

(2) the name signed purports to be that of an administrator, executor, guardian, or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(3) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(4) the name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the

corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, proxy appointment or proxy appointment revocation;

(5) two or more persons are the shareholder as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all the co-owners; or

(6) the acceptance of the vote, consent, waiver, proxy appointment or proxy appointment revocation is otherwise proper under rules established by the corporation that are not inconsistent with this §2.13(b).

(c) *Rejection Upon Reasonable Doubt.* The corporation is entitled to reject a vote, consent, waiver, proxy appointment or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

(d) *Not Liable In Damages.* The corporation and its officer or agent who accept or reject a vote, consent, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this section are not liable in damages to the shareholder for the consequences of the acceptance or rejection.

(e) *Corporate Action Valid.* Corporate action based on the acceptance or rejection of a vote, consent, waiver, proxy appointment or proxy appointment revocation under this section is valid unless a court of competent jurisdiction determines otherwise.

#### **§2.14 Informal Action by Shareholders.**

Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if all of the shareholders entitled to vote consent to such action in writing. Action taken under this section has the same effect as action taken at a meeting and may be described as such in any document.

#### **§2.15 Notification of Nominations of Directors.**

Only persons who are nominated in accordance with the procedures set forth in this §2.15 shall be eligible for election as directors. Nominations of persons for election to the board of directors of the corporation may be made at a meeting of shareholders by or at the direction of the board of directors, or by any shareholder of the corporation entitled to vote in the election of directors at the meeting who complies with the notice procedures set forth in this " 2.15. Such nominations, other than those made by or at the direction of the board of directors, shall be made pursuant to a timely notice in writing to the secretary of the corporation in accordance with the provisions of paragraph (c) of §2.7. Such shareholder's notice shall set forth (i) as to each person, if any, whom the shareholder proposes to nominate for election or reelection as a director: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the corporation which are beneficially owned by such person, (D) a description of all arrangements or understandings between the shareholder and each nominee or any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the shareholders, and (E) any other information relating to such person that is required to be disclosed in solicitation of proxies for elections of directors, or as otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation such person's written consent to be named in the Proxy Statement, if any, as a nominee and to serving as a director if elected); and (ii) as to such shareholder giving notice, the information required to be provided pursuant to paragraph (c) of §2.7. At the request of the board of directors, any person nominated by a shareholder for election as a director shall furnish to the secretary of the corporation that information required to be set forth in the



shareholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this §2.15. The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws, and if he should so determine, he shall so declare at the meeting, and the defective nomination shall be disregarded.

#### **§2.16 Voting for Directors.**

At each election for directors, every shareholder entitled to vote at such election has the right to vote in person or by proxy. Each shareholder may vote one vote per share for as many persons as there are directors to be elected and for whose election the shareholder has the right to vote. That number of candidates equaling the number of directors to be elected having the highest number of votes cast in favor of their election shall be elected to the board of directors; provided, however, to be elected directors must receive the affirmative vote of the holders of at least two-thirds of the shares of the corporation entitled to vote thereon.

#### **§2.17 Shareholder's Rights to Inspect Corporate Records.**

(a) *Absolute Inspection Rights.* If he gives the corporation written notice of his demand at least five business days before the date on which he wishes to inspect and copy, a shareholder (or his agent or attorney) has the right to inspect and copy, during regular business hours, any of the following records, all of which the corporation shall keep at its principal office:

- (1) its articles of incorporation;
- (2) its bylaws;
- (3) the minutes of all shareholders' meetings and records of all action taken by shareholders without a meeting for the past three years;
- (4) all written communications within the past three years to shareholders as a group or to the holders of any class or series of shares as a group;
- (5) a list of the names and business addresses of its current directors and officers;
- (6) its most recent corporate report delivered to the Secretary of State; and
- (7) its most recent annual financial statements and its most recently published financial statement showing in reasonable detail its assets and liabilities and results of its operations.

(b) *Conditional Inspection Right.* In addition to the rights set forth in §2.17(a) a shareholder who has been a shareholder for at least 3 months immediately preceding the demand to inspect or copy, or is a shareholder of at least 5% of all of the outstanding shares of any class of shares of the corporation as of the date the demand is made, is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any of the following records of the corporation if (i) the shareholder gives the corporation written demand at least 5 business days before the date on which the shareholder wishes to inspect and copy such records, (ii) such demand is made in good faith and for a proper purpose, (iii) the shareholder describes with reasonable particularity the purpose and the records the shareholder desires to inspect and, (iv) the records are directly connected with the described purpose:

- (1) excerpts from minutes of any meeting of the board of directors or from records of any action taken by the board of directors without a meeting, minutes of any meeting of the shareholders or records of any action taken by the shareholders without a meeting, excerpts of records of any action of a committee of the board of directors while acting in place of the

board of directors on behalf of the corporation, and waivers of notice of any meeting of the shareholders or the board of directors or any committee of the board of directors;

(2) accounting records of the corporation; and

(3) a record of the names and addresses of shareholders of the corporation.

(c) *Copy Costs.* The right to copy records includes, if reasonable, the right to receive copies made by photographic, xerographic, or other means. The corporation may impose a reasonable charge, covering the costs of labor and material, for copies of any documents provided to the shareholder. The charge may not exceed the estimated cost of production or reproduction of the records.

(d) *Beneficial Owner.* For purposes of this §2.17 the term "shareholder" shall include a beneficial owner whose shares are held in a voting trust and any other beneficial owner who establishes beneficial ownership.

### ARTICLE III. BOARD OF DIRECTORS

#### §3.1 General Powers.

All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the board of directors.

#### §3.2 Number, Tenure, and Qualifications of Directors.

(a) *Number.* As provided in the articles, the authorized number of directors shall be not less than 3 nor more than 6. The current number of directors shall be within the limits specified above, and as determined by resolution adopted by the shareholders or directors.

(b) *Tenure.* Each director shall hold office until the next annual meeting of shareholders or until removed; *provided however*, if a director's term expires the director shall continue to serve until a successor shall have been elected and qualified, or until there is a decrease in the number of directors. No member of the board of directors of the Company shall serve after reaching the age of 75.

(c) *Qualifications.* Directors do not need to be residents of Colorado or shareholders of the corporation.

#### §3.3 Regular Meetings of the Board of Directors.

A regular meeting of the board of directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of shareholders. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

#### §3.4 Special Meetings of the Board of Directors.

Special meetings of the board of directors may be called by or at the request of the chairman or any two directors. The chairman of the board of directors may fix any place as the place for holding any special meeting of the board of directors, or such meeting may be held by telephone.

#### §3.5 Notice of, and Waiver of Notice for, Special Director Meetings.

Notice of the date, time and place of any special meeting of directors shall be given at least three days previously thereto either orally or in writing. Oral notice is effective when communicated. If mailed, notice of any director meeting shall be deemed to be effective at the earlier of: (i) when

received; (ii) five days after deposited in the United States mail, addressed to the director's business office, with postage thereon prepaid; or (iii) the date shown on the return receipt if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the director. Any director may waive notice of any meeting. Except as provided in the next sentence, the waiver must be in writing, signed by the director entitled to the notice, and delivered to the corporation for filing with the corporate records. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business and at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice, and does not thereafter vote for or assent to action taken at the meeting. Unless required by the articles of incorporation, neither the business to be transacted at, nor the purpose of, any special meeting of the directors need be specified in the notice or waiver of notice of such meeting.

### **§3.6 Quorum.**

A majority of the current number of directors fixed pursuant to §3.2 shall constitute a quorum for the transaction of business at any meeting of the board of directors.

### **§3.7 Manner of Acting.**

The act of the majority of the directors present at a meeting at which a quorum is present when the vote is taken shall be the act of the board of directors unless the articles require a greater number or percentage.

Any or all directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

A director who is present at a meeting of the board of directors or a committee of the board of directors when corporate action is taken is deemed to have assented to the action taken unless: (i) he objects at the beginning of the meeting (or promptly upon his arrival) to holding it or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting; or (ii) he contemporaneously requests that his dissent or abstention from specific action taken be entered in the minutes of the meeting; or (iii) he delivers written notice of his dissent or abstention to specific action to the presiding officer of the meeting, before its adjournment, or to the corporation promptly after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

### **§3.8 Director Action Without a Meeting.**

Any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if all the directors take the action, and each one signs a written consent describing the action taken. Action taken by consents is effective when the last director signs the consent unless before such time a director has revoked his consent by a writing received by the secretary and unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document.

### **§3.9 Removal of Directors.**

The shareholders may remove one or more directors at a meeting if notice has been given that a purpose of the meeting is such removal. The removal may be with or without cause. A director may be removed only by a vote of at least two-thirds of the shares then entitled to vote at an election of directors.

**§3.10 Board of Director Vacancies.**

If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, the shareholders may fill the vacancy, the board of directors may fill the vacancy, or if the directors remaining in office constitute fewer than a quorum of the board, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office. When a vacancy has been filled as permitted by this §3.10 by action of the board of directors or by the directors remaining in office even though fewer than a quorum before action by the shareholders, the shareholders may thereafter act to fill such vacancy only by first removing the director in question.

A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled before the vacancy occurs but the new director may not take office until the vacancy occurs.

The term of a director elected by directors to fill a vacancy expires at the next shareholders' meeting at which directors are elected. If elected by the shareholders the director shall hold office for the unexpired term of his predecessor in office. However, if his term expires the director shall continue to serve until his successor is elected and qualifies or until there is a decrease in the number of directors.

**§3.11 Director Compensation.**

By resolution of the board of directors each independent director may be paid compensation and be reimbursed for expenses for attendance at board and corporate meetings and may receive additional compensation for other services to the corporation.

**§3.12 [Omitted.]**

**§3.13 Director Committees.**

(a) *Creation of Committees.* The board of directors may create one or more committees and appoint members of the board of directors to serve on them. Each committee must have two or more members, who serve at the pleasure of the board of directors.

(b) *Required Procedures.* Sections 3.4, 3.5, 3.6, 3.7 and 3.8, which govern meetings, notice and waiver of notice, quorum, manner of acting, and action without meetings of the board of directors, apply to committees and their members.

(c) *Authority.* Each committee shall make recommendations to the board of directors on such subjects as are stated in the resolution creating the committee and no committee shall have authority to act for the board of directors.

**ARTICLE IV. OFFICERS**

**§4.1 Number of Officers.**

The officers of the corporation shall include, if and when appointed by the board of directors, a chairman of the board of directors (sometimes referred to herein as "chairman") a chief executive officer, a president, a chief operating officer, an executive vice president, one or more vice presidents, a secretary, a chief financial officer, a treasurer and a controller. Such other officers and assistant officers as may be deemed necessary may be appointed by the board of directors. The board of directors may assign such additional titles to one or more of the officers as it deems appropriate. If specifically authorized by the board of directors, an officer may appoint one or more officers or assistant officers. The same individual may simultaneously hold more than one office in the corporation.

#### **§4.2 Appointment and Term of Office.**

The officers of the corporation shall be appointed by the board of directors for a term as determined by the board of directors. The designation of a specified term grants to the officer no contract rights, and the board can remove the officer at any time prior to the termination of such term. If no term is specified, they shall hold office until they resign, die, or until they are removed.

#### **§4.3 Removal of Officers.**

Any officer or agent may be removed by the board of directors at any time with or without cause. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not of itself create contract rights.

#### **§4.4 Chairman.**

The chairman of the board of directors shall preside at all meetings of the shareholders and of the board of directors at which he is present. The chairman shall have such further powers and perform such duties as are incident to his office or as may be granted to or required of him by the board of directors or by these bylaws.

#### **§4.5 Chief Executive Officer.**

The chief executive officer is the most senior officer of the corporation, and shall have all power and authority implied by that position. He shall have, subject only to direction of the board of directors, supervision and final authority over all other officers except the chairman, and all of the business, property, affairs and policies of the corporation. In the absence of authority granting the power to another officer, the chief executive officer may vote any shares of another corporation which are owned by this corporation. The chief executive officer shall preside at all meetings of the shareholders and of the board of directors when the chairman is not present. Subject to the oversight and supervision of the board of directors, the chief executive officer shall supervise and control the management of the corporation in accordance with these bylaws. Unless another officer is specifically authorized to do so, he may sign and execute all authorized bonds, certificates for shares, contracts, checks or other obligations in the name of the corporation. All other officers of the corporation, except the chairman, shall report to the chief executive officer from time to time, and shall be subject to supervision by the chief executive officer. The chief executive officer shall have general charge of the operation of the business of the corporation including finance and stockholder relations. In general, the chief executive officer shall perform all duties incident to the office and such other duties as may be prescribed by the board of directors from time to time.

#### **§4.6 President.**

Subject to the oversight and supervision of the chief executive officer and the board of directors, and to other provisions of these bylaws, the president shall have general charge of the operation of the business of the corporation. Unless another officer is specifically authorized to do so, the president may sign and execute all authorized bonds, certificates for shares, contracts, checks or other obligations in the name of the corporation. The president shall have general charge of the operation of the corporation including product development and customer relations. He shall do and perform such other duties as from time to time may be assigned to him by the chief executive officer. The president reports to the chief executive officer. He shall keep the chief executive officer and the board of directors fully informed and shall freely consult them concerning the business of the corporation in his charge.

#### **§4.7 Executive Vice President.**

In the absence of the president, or in the event of his death, inability or refusal to act, the executive vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president.

#### **§4.8 Vice-Presidents.**

If there be more than one vice president, the chief executive officer or the board of directors may designate their seniority (such as first vice president, senior vice president, etc.) and/or the particular department of the corporation of which they shall have charge. The vice presidents in order of their seniority by designation, or if not so designated, in the order of their seniority by appointment, shall perform the duties of the executive vice president in his absence or during his inability to act. If there is no executive vice president, then the vice presidents, in order of their seniority by designation, or if not so designated, then the order of their seniority by appointment, shall perform the duties of the president in his absence or during his inability to act. The vice presidents shall have such other duties and powers as may be assigned to or vested in them by the chief executive officer, the president or the board of directors or by the job description relating to any duties associated with management of a particular department.

#### **§4.9 Secretary.**

The secretary shall: (i) keep the minutes of the proceedings of the shareholders and of the board of directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (iii) be custodian of the corporate records and of any seal of the corporation and if there is a seal of the corporation, see that it is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (iv) when requested or required, authenticate any records of the corporation; (v) keep a register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder; (vi) sign with the chief executive officer or the president certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the board of directors; (vii) have general charge of the stock transfer books of the corporation; and (viii) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the chief executive officer or by the board of directors.

#### **§4.10 Chief Financial Officer.**

The chief financial officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the board of directors or the chief executive officer. The chief financial officer shall perform other duties commonly incident to the office and shall also perform such other duties and such other powers as the board of directors or the chief executive officer shall designate from time to time. The chief executive officer may perform the duties of chief financial officer and may direct the treasurer or any assistant treasurer, or the controller or any assistant controller to assume and perform the duties of the chief financial officer.

#### **§4.11 Treasurer.**

The treasurer shall: (i) have charge and custody of and be responsible for all funds and securities of the corporation; (ii) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors; and (iii) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time

may be assigned by the chief executive officer or by the board of directors. If required by the board of directors, and at company expense, the treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the board of directors shall determine.

#### **§4.12 Assistant Secretaries and Assistant Treasurers.**

The assistant secretaries, when authorized by the board of directors, may sign with the president or a vice-president certificates for shares of the corporation the issuance of which shall have been authorized by resolution of the board of directors. The assistant treasurers shall respectively, if required by the board of directors, and at company expense, give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the chief executive officer or the board of directors.

#### **§4.13 Controller.**

The controller shall keep financial records for the corporation and report the financial condition of the corporation as requested from time to time.

#### **§4.14 Salaries.**

The compensation of the officers shall be fixed by or in the manner determined by the board of directors.

### **ARTICLE V. INDEMNIFICATION OF DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES**

#### **§5.1 Indemnification of Directors.**

The corporation shall indemnify any individual made a party to a proceeding because he is or was a director of the corporation against liability incurred in the proceeding, but only if the corporation has authorized the payment in accordance with C.R.S. §7-109.106(1) and a determination has been made in accordance with the procedures set forth in C.R.S. §7-109-106(2) that the director met the standards of conduct in paragraph (a), (b), and (c) below.

(a) *Standard of Conduct* The individual shall demonstrate that:

(1) he conducted himself in good faith; and

(2) he reasonably believed:

(i) in the case of conduct in his official capacity with the corporation that his conduct was in its best interests; and

(ii) in all other cases, that his conduct was at least not opposed to its best interests; and

(3) in the case of any criminal proceeding he had no reasonable cause to believe his conduct was unlawful.

(b) *No Indemnification Permitted in Certain Circumstances.* The corporation shall not indemnify a director under this §5.1:

(1) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation; or

(2) in connection with any other proceeding charging improper personal benefit to him, whether or not involving action in his official capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

(c) *Indemnification in Derivative Actions Limited.* Indemnification permitted under this §5.1 in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding.

## **§5.2 Advance Expenses for Directors.**

If a determination is made, following the procedures of C.R.S. §7-109-106(2), that the director has met the following requirements; and if an authorization of payment is made, following the procedures and standards set forth in C.R.S. §7-109-106(1), the corporation shall pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

- (1) the director furnishes the corporation a written affirmation of his good faith belief that he has met the standard of conduct described in §5.1(a);
- (2) the director furnishes the corporation a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct (which undertaking must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment); and
- (3) a determination is made that the facts then known to those making the determination would not preclude indemnification under §5.1.

## **§5.3 Indemnification of Officers, Agents, and Employees Who Are Not Directors.**

The corporation shall indemnify and advance expenses to any officer of the corporation or of any of its subsidiaries or any general manager of any division of the corporation which indemnitee is not a director of the corporation to the maximum extent not inconsistent with public policy. The corporation may indemnify and advance expenses to any employee, fiduciary, or agent of the corporation who is not a director of the corporation if not inconsistent with public policy, as determined by the general or specific action of the board of directors.

## **ARTICLE VI. CERTIFICATES FOR SHARES AND THEIR TRANSFER**

### **§6.1 Certificates for Shares.**

(a) *Content.* Certificates representing shares of the corporation shall at a minimum state on their face the name of the corporation and that it is formed under the laws of Colorado, the name of the person to whom issued, and the number and class of shares and the designation of the series, if any, the certificate represents, and be in such form as determined by the board of directors. Such certificates shall be signed (either manually or by facsimile) by the president or a vice-president and by the secretary or an assistant secretary and may be sealed with a corporate seal or a facsimile thereof. Each certificate for shares shall be consecutively numbered or otherwise identified.

(b) *Legend as to Class or Series.* The designations, relative rights, preferences and limitations applicable to each class and the variations in rights, preferences and limitations determined for each series (and the authority of the board of directors to determine variations for future series) must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back that the corporation will furnish the shareholder this information on request in writing and without charge.

(c) *Transferring Shares.* All certificates surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of



shares shall have been surrendered and cancelled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor as provided in §6.1(d)

(d) *Lost Certificates.* A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

## **§6.2 Registration of the Transfer of Shares.**

Registration of the transfer of shares of the corporation shall be made only on the stock transfer books of the corporation. In order to register a transfer the record owner shall surrender the shares to the corporation for cancellation properly endorsed by the appropriate person or persons with reasonable assurances that the endorsements are genuine and effective. Unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the owner, the person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

## **§6.3 Restrictions on Transfer of Shares Permitted.**

The board of directors (or shareholders) may impose restrictions on the transfer or registration of transfer of shares (including any security convertible into or carrying a right to subscribe for or acquire shares). A restriction does not affect shares issued before the restriction was adopted unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction.

A restriction on the transfer or registration of transfer of shares is valid and enforceable against the holder or a transferee of the holder if the restriction is authorized by this section and its existence is noted conspicuously on the front or back of the certificate. Unless so noted a restriction is not enforceable against a person without knowledge of the restriction.

# **ARTICLE VII. DISTRIBUTIONS**

## **§7.1 Distributions.**

The board of directors may authorize, and the corporation may make, distributions (including dividends on its outstanding shares) in the manner and upon the terms and conditions provided by law and in the corporation's articles of incorporation.

## **§7.2 Dividend Reserves.**

Before payment of any dividend there may be set aside out of any funds of the corporation available for dividends such sum or sums as the board of directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the board of directors shall think best in the interests of the corporation, and the board of directors may modify or abolish any such reserve in the manner in which it was created.

## ARTICLE VIII. CORPORATE SEAL

### §8.1 Corporate Seal.

The board of directors may provide a corporate seal which may be circular in form and have inscribed thereon any designation including the name of the corporation, Colorado as the state of incorporation, and the words "Corporate Seal."

## ARTICLE IX. AMENDMENTS

### §9.1 Amendments.

The corporation's board of directors may amend or repeal the corporation's bylaws unless (i) such power is reserved exclusively to the shareholders, or (ii) the bylaws prohibit the board of directors from doing so. The corporation's shareholders may amend the bylaws even though the bylaws may also be amended by its board of directors.

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[BYLAWS OF ALLIED MOTION TECHNOLOGIES INC.](#)

[JAECKLE FLEISCHMANN & MUGEL, LLP LETTERHEAD]

September 16, 2004

Allied Motion Technologies Inc.  
23 Inverness Way East, Suite 150  
Englewood, CO 80112

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as securities counsel for Allied Motion Technologies Inc., a Colorado corporation (the "Company"), in connection with its filing with the Securities and Exchange Commission of a Registration Statement on Form S-3 (the "Registration Statement") covering 263,231 shares of no par value common stock of the Company.

Capitalized words and phrases not otherwise defined in this letter shall have the same meanings and definitions as they have in the Registration Statement.

Our opinions set forth below are subject to the following qualifications:

A. In rendering these opinions, we have reviewed such records of the Company and its subsidiaries as we have deemed necessary in order to enable us to furnish our opinions, including but not limited to the following: (i) the Registration Statement; (ii) the Company's Articles of Incorporation, as amended; (iii) the Company's Bylaws, as amended; and (iv) the records of corporate proceedings of the Company.

B. Our opinions are based solely on the federal laws of the United States of America and the Business Corporation Act of the State of Colorado.

C. We have assumed without investigation (i) that each signature on any document examined by us is genuine, (ii) the authenticity of all documents submitted to us as originals and the conformity to the authentic original documents of all documents submitted to us as copies or facsimile, (iii) the legal capacity of each natural person, and (iv) that each document upon which we opine has been duly authorized, executed and delivered and is a legal, valid and binding obligation of each party thereto other than the Company and is enforceable against each such other person in accordance with its terms. Subject to the foregoing, we are of the opinion that:

1. The Company is a corporation duly organized and validly existing under the laws of the State of Colorado.
2. The shares of common stock offered for the account of the selling shareholders pursuant to the terms set forth in the Registration Statement are duly authorized for issuance by all necessary corporate action and are legally issued, fully paid and non-assessable.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and we further consent to any and all references to our name therein.

Very truly yours,

/s/ JAECKLE FLEISCHMANN & MUGEL, LLP

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[Exhibit 5](#)

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors of  
Allied Motion Technologies Inc. and Subsidiaries:

We consent to the use of our report dated February 19, 2004 with respect to the consolidated balance sheets of Allied Motion Technologies Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of operations, stockholders' investment and comprehensive income, and cash flows for the year ended December 31, 2003, the six-month period ended December 31, 2002, and for each of the years in the two-year period ended June 30, 2002, incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

Our report refers to the adoption of Statements of Financial Accounting Standards No. 141, *Business Combinations*, and No. 142, *Goodwill and Other Intangible Assets*, effective July 1, 2002.

/s/ KPMG LLP

Denver, Colorado  
September 16, 2004

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[Consent of Independent Registered Public Accounting Firm](#)