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BASIC AMENDMENT

INTELLIGENXIA INC.

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ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

INTELLIGENXIA INC.

1. The name of this corporation is Intelligenxia Inc., a Florida corporation (the "Corporation").
2. The Board of Directors of the Corporation approved the following amendments to the Corporation's Articles of Incorporation at a board meeting on July 29, 2003.
3. No shareholder approval was required with respect to the following amendments.
4. The Articles of Incorporation are hereby amended to append to the end thereof "Addendum Number 2 to Articles of Incorporation of Intelligenxia Inc. Designating the Rights, Preferences and Limitations of Series B Convertible Preferred Stock, \$0.01 Par Value", which is attached to these Articles of Amendment.

IN WITNESS WHEREOF, Intelligenxia Inc. has caused this Amendment to be signed by Rengaswamy Mohan, its President and Chief Executive Officer, this 29th day of July, 2003.

INTELLIGENXIA INC.

By: 
Rengaswamy Mohan, President and Chief
Executive Officer

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**ADDENDUM NUMBER 2
TO
ARTICLES OF INCORPORATION
OF
INTELLIGENXIA INC.**

**DESIGNATING THE RIGHTS, PREFERENCES AND
LIMITATIONS OF**

SERIES B CONVERTIBLE PREFERRED STOCK, \$0.01 PAR VALUE

Intelligenxia Inc., a Florida corporation (the "Corporation"), DOES HEREBY CERTIFY:

That pursuant to authority vested in the Board of Directors of the Corporation by Section 4.3 of its Articles of Incorporation, the Board of Directors duly adopted the following resolution, pursuant to a meeting held July 29, 2003, creating a series of 3,400,000 shares of Preferred Stock, \$.01 par value, to be designated the "Series B Convertible Preferred Stock":

"RESOLVED, that pursuant to authority vested in the Board of Directors of the Corporation by Section 4.3 of its Articles of Incorporation, the Board of Directors does hereby create a series of the authorized Preferred Stock, \$.01 par value (the "Preferred Stock"), of the Corporation, and does hereby establish the number of shares to be included in such series, and does hereby fix the designation, powers, preferences, and rights of the shares of such series and the qualifications, limitations or restrictions thereof as follows:

SERIES B CONVERTIBLE PREFERRED STOCK

1. Definitions.

"Adoption Date" means July 30, 2003.

"Common Stock" shall mean the voting common stock, par value \$0.01 per share, of the Corporation.

"Conversion Price" shall mean the price at which shares of the Common Stock are deliverable upon conversion of the shares of Series B Preferred Stock. The initial Conversion Price shall be \$0.435 per share, subject to adjustments set forth in Section 5(c) below.

"Conversion Ratio" shall mean \$0.435 divided by the Conversion Price.

"Disposition" means (i) the sale of all or substantially all of the Corporation's operating assets; (ii) any transaction or series of transactions involving a consolidation of or merger or reorganization by the Corporation with or into any other entity (other than a transaction or series of transactions in which the holders of a majority of the outstanding equity securities of the Corporation immediately prior to such transaction or series of transactions own a

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majority of the outstanding equity securities of the surviving corporation after such transaction or series of transactions); and (iii) the sale or other disposition of voting control of the Corporation, whether such sale occurs through the Corporation's issuance of shares of equity securities in a single transaction or upon the sale by an equity holder or group of equity holders in any one transaction or group of integrated transactions (other than a transaction or series of transactions in which the holders of a majority of the outstanding equity securities of the Corporation immediately prior to such transaction or series of transactions own a majority of the outstanding equity securities of the surviving corporation after such transaction or series of transactions).

"Extraordinary Common Stock Event" shall mean (i) the issuance of additional shares of Common Stock as a dividend or other distribution on outstanding shares of Common Stock, (ii) a subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock and (iii) a combination or reverse stock split of outstanding shares of Common Stock into a smaller number of shares of Common Stock.

"Liquidation Event" means any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, including, without limitation, a Disposition, unless such Disposition is a Qualifying Disposition.

"Liquidation Price" means \$1.08 per share outstanding, plus an amount in cash equal to all accrued but unpaid dividends thereon to the date fixed for the Liquidation Event.

"Qualified Public Offering" shall mean the first fully underwritten, firm commitment public offering pursuant to an effective registration statement (other than any registration statement on Form S-4, Form S-8, or any successor form or other form not permitting registration of securities offered by selling security holders) under the Securities Act of 1933, as amended, covering the offer and sale by the Corporation of Common Stock which results in the Common Stock being traded on a national securities exchange, on a Nasdaq market system or on a comparable system.

"Qualifying Disposition" means a Disposition that results in per share consideration to the holders of the Series B Preferred Stock of at least \$1.08 per share, plus an amount in cash equal to all accrued but unpaid dividends thereon to the date fixed for the Disposition.

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2. Designation and Amount.

Pursuant to Section 4.3 of these Articles of Incorporation, the Board of Directors does hereby create, authorize and provide for the issuance of a series of preferred stock having a par value of \$.01 per share, which shall be designated "Series B Convertible Preferred Stock" (the "Series B Preferred Stock") and the number of shares constituting such series shall be 3,400,000.

3. Rank.

The Series B Preferred Stock shall be deemed to rank:

(a) junior to each class of capital stock or series of preferred stock issued by the Corporation after the Adoption Date, the terms of which expressly provide that such class or series will rank senior to the shares of Series B Preferred Stock, either as to dividends, redemption rights or upon a Liquidation Event, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, or redemption rights, as the case may be, in preference or priority to the holders of shares of the Series B Preferred Stock (collectively, the "Senior Securities"). Notwithstanding the foregoing, a security shall not be deemed a Senior Security solely because such security has a stated dividend or interest coupon;

(b) On a parity with the Series A Preferred Stock, the Common Stock, and any other class of capital stock or series of preferred stock issued by the Corporation, the terms of which expressly provide that such class or series will rank on a parity with shares of Series B Preferred Stock, as to payment of dividends, whether or not the dividend rates or dividend payment dates per share, if any, be different from those of the Series B Preferred Stock, or if the holders of such class or series shall be entitled to the receipt of dividends of the Corporation in proportion to their respective dividend rates, without preference or priority between the holders of such stock and the holders of shares of Series B Preferred Stock;

(c) On a parity with the Series A Preferred Stock and any other class of capital stock or series of preferred stock issued by the Corporation, the terms of which expressly provide that such class or series will rank on a parity with shares of Series B Preferred Stock, upon redemption or a Liquidation Event, whether or not the redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of the Series B Preferred Stock, or if the holders of such class or series shall be entitled to amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, or redemption, in proportion to their respective liquidation preferences and redemption rights, without preference or priority between the holders of such stock and the holders of shares of the Series B Preferred Stock;

(d) Senior to each other class of capital stock or series of preferred stock, the terms of which do not expressly provide that it ranks senior to or on a parity with the shares of Series B Preferred Stock, as to dividends, or if the holders of shares of Series B

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Preferred Stock shall be entitled to the receipt of dividends of the Corporation in preference or priority to the holders of such stock, except that dividends on the Series A Preferred Stock and Common Stock shall be payable on a parity with any dividend payable on the Series B Preferred Stock.

(e) Senior to all classes of common stock of the Corporation and to each other class of capital stock or series of preferred stock (except for the Series A Preferred Stock), the terms of which do not expressly provide that it ranks senior to or on a parity with the shares of Series B Preferred Stock, either as to redemption rights or upon a Liquidation Event, or if the holders of shares of Series B Preferred Stock shall be entitled to the receipt of amounts distributable upon dissolution, liquidation or winding up of the Corporation, or redemption rights, as the case may be, in preference or priority to the holders of such stock.

4. Dividends.

Subject to the approval requirements of Sections 9(d) and 9(e) hereof, if any cash dividends or other distributions are declared by the Board of Directors with respect to the Common Stock, then a dividend or distribution, as the case may be, shall be declared and paid at the same time to the holders of Series B Preferred Stock at the rate per share equal to the per share dividend declared on the Common Stock; provided, however, that the Board of Directors shall not declare a cash dividend or other distribution at any time that the Board of Directors has knowledge of a pending Liquidation Event.

5. Conversion Rights.

(a) Optional Conversion. Subject to and upon compliance with the provisions of this Section 5, the holder of any shares of Series B Preferred Stock (the "Holder") may at such Holder's option at any time convert any such shares into that number of shares of Common Stock equal to the Conversion Ratio multiplied by the number of shares being converted. Upon conversion, the issuance of shares of Common Stock shall satisfy all dividend obligations, if any, with respect to the shares so converted.

(i) Exercise of Conversion Privilege. To exercise its conversion privilege, a Holder shall surrender to the Corporation at its principal office, the certificate or certificates representing the shares being converted and shall give written notice to the Corporation that the Holder elects to convert such shares. Each such notice will also state: the name(s) and address(es) in which the Holder wishes the certificate(s) of Common Stock issuable upon conversion and the number of shares to be converted. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, executed by the registered Holder or his attorney duly authorized in writing. The date on which the Corporation has received the notice, the certificates to be surrendered and any requested instruments of transfer shall be the "Conversion Date". The Corporation shall, as soon as practicable after the Conversion Date, issue and deliver to the Holder converting his shares, or such other persons

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designated by the Holder, a certificate or certificates for the number of shares of Common Stock to which the Holder shall be entitled.

(b) Automatic Conversion upon Qualified Public Offering. Immediately prior to the closing of a Qualified Public Offering, all outstanding shares of Series B Preferred Stock shall convert automatically into such number of shares of Common Stock as would be obtained in an optional conversion under Section 5(a). Upon the closing of a Qualified Public Offering, the Holders shall surrender the certificates representing such shares at the office of the Corporation or of its transfer agent for the Common Stock. Thereupon, the Corporation shall issue and deliver to each such Holder a certificate or certificates for the number of shares of Common Stock into which the shares of Series B Preferred Stock were convertible on the date of closing of the Qualified Public Offering, or shall provide for the book-entry registration of such shares of Common Stock. The Corporation shall provide notice to each Holder by registered mail, mailed not less than 45 days prior to the date the registration statement is expected to be filed with the Securities and Exchange Commission ("SEC"), at such Holder's address as the same appears on the stock register of the Corporation. Each such notice will state the approximate date on which the Corporation expects the registration statement will be filed with the SEC and shall notify the Holder of automatic conversion of his shares pursuant to this Section 5(b).

(c) Adjustments to Conversion Price. The Conversion Price shall be subject to adjustment from time to time, calculated to the nearest cent, as follows

(i) Adjustments to Conversion Price for Extraordinary Common Stock Events. Upon the happening of an Extraordinary Common Stock Event, the Conversion Price shall, simultaneously upon the effectiveness of the Extraordinary Common Stock Event, be adjusted by multiplying the Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be multiplied by the Conversion Price. The Conversion Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Events.

(ii) Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time makes or issues a dividend or other distribution payable to holders of Common Stock in securities of the Corporation other than shares of Common Stock, then at the time a Holder converts its shares of Series B Preferred Stock into Common Stock, the Holder shall receive the amount of securities of the Corporation that it would have received if it had converted its shares into Common Stock immediately prior to the date of such event. Securities issuable upon conversion pursuant to this Section 5(c)(ii) shall be in addition to the number of shares of Common Stock issuable upon conversion pursuant to Sections 5(a) and 5(b) hereof.

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(iii) *Adjustments upon Capital Reorganizations, Reclassifications, Consolidations, Mergers and Sales of Assets.* If (i) the Common Stock issuable upon conversion of shares of Series B Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of capital stock, whether by capital reorganization, recapitalization, reclassification or otherwise (other than a subdivision, combination of shares or stock dividend for which an adjustment is provided elsewhere in this Designation) or (ii) the Corporation merges or consolidates with or into another entity or entities or (iii) the Corporation sells all or substantially all of its assets, then each share of Series B Preferred Stock shall thereafter be convertible under Sections 5(a) and 5(b) into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification, consolidation, merger or sale which a Holder would have received upon the date of such event if he had converted shares of Series B Preferred Stock immediately prior to such event, subject to further adjustment under this Section 5.

(iv) *Notice of Adjustments.* In each case of an adjustment to the Conversion Price or other terms of conversion, the Corporation at its expense will furnish each Holder with a certificate describing such adjustment and the events prompting the adjustment.

(v) *Events not Requiring Adjustment.* Notwithstanding the provisions of this Section 5(c), no adjustment to the Conversion Price shall be made if the amount of said adjustment shall be less than one cent (\$0.01) per Share; provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least one cent (\$0.01) per share.

(d) Liquidation of the Corporation. In the event of any Liquidation Event, the conversion rights in this Section 5 shall terminate at the close of business on the first full day preceding the date fixed for the payment of any amounts distributable on liquidation to the Holders of shares of Series B Preferred Stock.

(e) No Fractional Shares. No fractional shares shall be issued upon conversion of shares of Series B Preferred Stock into Common Stock and the number of shares of Common Stock shall be rounded to the nearest whole share.

(f) Effect of Conversion. Upon conversion of shares of Series B Preferred Stock pursuant to this Section 5, such converted shares of Series B Preferred Stock will no longer be deemed to be outstanding and no longer have any voting rights, the right to receive dividends, any redemption rights or any other rights (except only the right of the Holder to receive shares of Common Stock upon conversion).

(g) Reservation of Common Stock. The Corporation will reserve out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of shares of Series B Preferred Stock, sufficient shares of Common Stock to

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provide for the conversion of all such shares outstanding from time to time. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all outstanding shares of Series B Preferred Stock, the Corporation shall take such action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose. All shares of Common Stock issued upon conversion of shares of Series B Preferred Stock will be fully paid and nonassessable. The Corporation will pay any documentary, stamp or similar issue or transfer tax due on the issue of shares of Common Stock upon the conversion, except that the holder of the converted shares will pay any such tax which is due because the shares of Common Stock are issued in a name other than such holder's name.

6. Liquidation Preference.

Upon any Liquidation Event, each holder of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders an amount in cash equal to the Liquidation Price (or, if there are insufficient assets available to make the full distributions required by this section, the holders of the Series B Preferred Stock shall share, ratably, according to the number of the shares of Series B Preferred Stock then held by them and any other series of preferred stock with *pari passu* liquidation rights, in the assets available for distribution, subject to different liquidation prices of such series), before any payment shall be made or any assets distributed to the holders of the Common Stock, but without any further right to participate in the residual assets of the Corporation after receiving cash equal to the Liquidation Price. In the event of a Qualifying Disposition, the holders of shares of the Series B Preferred Stock then outstanding shall be entitled to the consideration to which they are otherwise entitled in the Qualifying Disposition transaction on an as-converted basis (or if a purchase price is specified for the Series B Preferred Stock, such purchase price).

7. Redemption Upon Request of Holders.

(a) *Optional Redemption.* At the prior written request of a holder of Series B Preferred Stock, given no earlier than May 30, 2008 and no later than June 30, 2008, a holder of Series B Preferred Stock may elect to have the Corporation redeem that number of unconverted shares of Series B Preferred Stock held by such holder and specified in the request. Upon receipt of such written request, the Corporation shall be required to redeem the shares of Series B Preferred Stock specified in such request, as described herein, and all redeemed shares plus accrued but unpaid dividends shall immediately convert to debt. Each Holder shall be permitted only one such request and such request shall be irrevocable.

(b) *Redemption Price; Payment.* Upon receipt of the written request described in (a) above, the Corporation shall provide to such holder, on June 30, 2008 (the "Redemption Date"), a promissory note in the amount of \$0.435 per share of Series B Preferred Stock to be redeemed from such holder (the "Series B Redemption Price"), plus all accrued but unpaid dividends per share thereon up to and including the Redemption Date (the "Unpaid Dividends"). The promissory note shall provide for the following payments:

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(i) the Corporation shall pay on September 30, 2008 (the "First Payment Date") cash equal to (A) one-third (1/3) of the Series B Redemption Price and simple interest at the rate of 8% per annum accrued on such one-third Series B Redemption Price from July 30, 2003 to but not including the First Payment Date, plus (B) one-third (1/3) of the Unpaid Dividends,

(ii) the Corporation shall pay on September 30, 2009 (the "Second Payment Date") cash equal to (A) one-third (1/3) of the Series B Redemption Price and simple interest at the rate of 8% per annum accrued on such one-third Series B Redemption Price from July 30, 2003 to but not including the Second Payment Date, plus (B) one-third (1/3) of the Unpaid Dividends and simple interest at the rate of 8% per annum accrued on such one-third (1/3) Unpaid Dividends from the First Payment Date to but not including the Second Payment Date, and

(iii) the Corporation shall pay on September 30, 2010 (the "Third Payment Date") cash equal to (A) one-third (1/3) of the Series B Redemption Price and simple interest at the rate of 8% per annum accrued on such one-third Series B Redemption Price from July 30, 2003 to but not including the Third Payment Date, plus (B) any remaining Unpaid Dividends and simple interest at the rate of 8% per annum accrued on such remaining Unpaid Dividends from the First Payment Date to but not including the Third Payment Date.

(c) *Effect of Redemption.* All shares specified in the request to be redeemed shall be considered redeemed on the Redemption Date, notwithstanding the payment periods specified in Section 7(b) above. Upon redemption, such redeemed shares will no longer be deemed to be outstanding and no longer have any voting rights, the right to receive dividends, any redemption rights or any other rights (except only the right of the holder to receive the payments specified in Section 7(b) above).

(d) *Equitable Adjustment.* The Series B Redemption Price shall be subject to equitable adjustment whenever there shall occur an event involving a change in the Series B Preferred Stock, such as a stock split, stock dividend, combination, recapitalization, reclassification or other similar event.

(e) *Surrender of Certificates.* Each holder of shares of Series B Preferred Stock electing to have all or a portion of such Holder's shares of Series B Preferred Stock redeemed shall surrender the certificate(s) representing such redeemed shares to the Corporation prior to the Redemption Date at the principal offices of the Corporation (Attention: Chief Financial Officer). The promissory note described in subsection (b) of this Section 7 shall be made payable to the order of the person whose name appears on such certificate(s) and each surrendered certificate shall be canceled and retired. In the event some but not all of the Series B Preferred Stock represented by a certificate(s) surrendered by a Holder is being redeemed, the Corporation shall execute and deliver to or on the order of the Holder, at the expense of the Corporation, a new certificate representing the number of shares of Series B Preferred Stock which were not redeemed.

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8. Voting Rights.

(a) *General Voting Rights.* Except as otherwise expressly provided herein or as otherwise required by law, each holder of Series B Preferred Stock shall be entitled to vote on all matters required by Florida law to be approved by the shareholders of the Corporation, and shall be entitled to that number of votes equal to the number of whole shares of Common Stock into which such Holder's respective shares of Series B Preferred Stock could then be converted pursuant to the provisions of Section 5 hereof, at the record date for the determination of stockholders entitled to vote on such matter, or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited. Except as otherwise expressly provided herein or as required by law, holders of shares of Series B Preferred Stock and Common Stock shall vote together as a single class on all matters on which the holders of Common Stock are entitled to vote.

(b) *Special Voting Rights.* In addition to the voting rights set forth in Section 8(a) above, so long as at least 25% of the shares of Series B Preferred Stock issued by the Corporation shall remain outstanding, the Corporation shall not, without the vote at least a majority of the number of shares of Series B Preferred Stock then outstanding:

(A) amend, change or waive any of the provisions of the Corporation's Articles of Incorporation, or the Corporation's Bylaws, so as to affect substantially and adversely any of the rights or preferences of the holders of the shares of Series B Preferred Stock; or

(B) amend the terms of Series B Preferred Stock; or

(C) prior to June 30, 2005, authorize or issue, or obligate itself to issue, a class of stock or a series of any class of stock of the Corporation (or permit a subsidiary to authorize or issue, or obligate its subsidiary to issue) any other equity security (including any other security convertible into or exercisable for any equity security), having a preference over the Series Preferred Stock with respect to dividends, voting rights, redemption, liquidation preference or distribution of assets of the Corporation upon a Liquidation Event, unless such class or series of stock is in connection with a transaction in which the Corporation receives proceeds (in cash or otherwise) which exceed \$2,000,000.

(c) For the purpose of this Section 8, an amendment to the Company's Articles of Incorporation increasing or decreasing the aggregate number of authorized shares of Common Stock, as a class, or Preferred Stock, as a class, or the authorization or designation of, or increase in the authorized amount of, any class or series of stock ranking junior as to dividends, redemption rights or upon liquidation with the shares of Series B Preferred Stock, shall not be deemed to affect substantially and adversely any of the powers, preferences or rights of the shares of Series B Preferred Stock or of all Preferred Stock as a class.

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9. Restrictions and Limitations.

In addition to the special voting rights set forth in Section 8(b) above so long as at least 25% of the shares of Series B Preferred Stock issued by the Corporation shall remain outstanding, the Corporation shall not consummate any of the following events or transactions unless holders of at least a majority of shares of Series B Preferred Stock then outstanding have consented in writing (or consented by delay as described below):

(a) cause, effect or authorize, or obligate itself to cause, effect or authorize, any merger, consolidation or recapitalization of the Corporation; or

(b) sell, transfer or dispose of all or substantially all of the Corporation's technology or intellectual property, or license other than in the ordinary course of business all or substantially all of the Corporation's technology or intellectual property; or

(c) cause or authorize the Corporation to redeem, purchase or otherwise acquire for value (or pay into or set aside for a sinking fund for such purpose), any share or shares of equity securities of the Corporation other than (i) Series B Preferred Stock, as provided for in Section 7 hereof, (ii) redemptions of preferred stock of the Corporation, the issuance and rights of which are not otherwise prohibited by rights held by the holders of Series B Preferred Stock, (iii) pursuant to the Corporation's Shareholders Agreement, as amended, by which the Corporation has the right to purchase shares upon terms and conditions specified therein, (iv) pursuant to agreements in effect on July 30, 2003, with any of the Corporation's employees, officers, directors or consultants giving the Corporation the right to repurchase shares, and (v) redemptions, purchases or acquisitions of equity securities held by Rengaswamy Mohan or Usha Mohan, or both, in connection with a family emergency caused by death, sickness or other Act or God and in which Rengaswamy Mohan, Usha Mohan or their personal representatives have demonstrated to the Board of Directors of the Corporation that such redemptions, purchases or acquisitions are financially necessary for the Mohan family; or

(d) prior to July 30, 2006, cause or authorize the Corporation to pay any dividend with respect to any class or series of stock ranking junior to or on a parity with the Series B Preferred Stock, other than any dividend payable with respect to the Series B Preferred Stock; or

(e) from July 30, 2006 and thereafter, cause or authorize the Corporation to pay any dividend with respect to any class or series of stock other than from the Corporation's profits; or

(f) purchase or permit any subsidiary of the Corporation to purchase any capital stock of any corporation or acquire any voting interest in or material assets of any entity that is not engaged in a business substantially similar to or substantially related to the Corporation's business; or

(g) prior to the earlier of (i) July 30, 2006, (ii) the first day of the month following the month in which total revenue of the Corporation exceeds \$2 million for the prior 12 months and (iii) the date on which the Corporation obtains additional equity financing with

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proceeds to the Corporation (in cash or otherwise) of at least \$2 million, incur any indebtedness for borrowed money (including capitalized leases) in excess of \$200,000; or

(h) sell or transfer assets of the Corporation to a subsidiary of the Corporation in excess of 20% of the total assets of the Corporation on the date of such sale or transfer; or

(i) issue any securities pursuant to stock purchase plans and stock option plans greater than 20% of the fully-diluted shares of the Corporation's stock on the date of issuance; or

(j) enter into any agreement or transaction with any of its shareholders, officers or directors, or any individual related by blood or marriage to any such person, or any entity in which any such person owns a beneficial interest (other than a non-controlling interest in a public corporation), unless a majority of the disinterested directors have approved the transaction. The proposed advisory agreement between Springboard and the Corporation shall not be subject to the approval required by this subsection (j).

The Corporation shall provide written notice of the foregoing transactions or events to the holders of Series B Preferred Stock at least 20 days prior to the proposed consummation of such transactions or events. The holders of Series B Preferred Stock will be deemed to have consented to any such transaction or event of which they have received notice if the Corporation has not received written objections from holders of at least a majority of shares of Series B Preferred Stock then outstanding by the proposed date of consummation of such transaction or event stated in the notice.

10. Preemptive Rights.

(a) If the Corporation proposes to issue new shares of stock (a "Subsequent Stock Issuance"), the Corporation shall, as a condition of any such Subsequent Stock Issuance, first offer to each holder of the Series B Preferred Stock the opportunity to purchase, for the price and on the terms established by the Corporation for all purchasers in such Subsequent Stock Issuance, such portion of shares of stock being offered in such Subsequent Stock Issuance as the number of shares of Series B Preferred Stock owned by such holder at such time (on an as-converted basis) shall bear to the total number of shares of stock owned by all shareholders of the Corporation (assuming conversion of all shares of convertible preferred stock).

(b) Such preemptive right shall not apply to: (a) stock (including stock options, stock grants and restricted shares) issued to employees, consultants or directors of the Corporation pursuant to any incentive agreement or arrangement approved by the Board of Directors of the Corporation, including under Intelligenxia's Employee Stock Option Plan; (b) stock issued pursuant to any stock dividend, stock split, combination or other reclassification by the Corporation of any of its capital stock; (c) shares of stock issued pursuant to preemptive rights under the Investment Agreement dated as of January 4, 2002, as amended, between the Corporation and Demetree Brothers, Inc.; (d) shares issued pursuant to preemptive and anti-dilution rights under the Investment Agreement dated as of January 4, 2002, among the Corporation, Thomas Timbie, Timbie &

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Company, LLC, Charles A. Clarkson and Jerome Hayes; (e) shares issued pursuant to rights of first refusal and anti-dilution rights under the Investment Agreement dated as of January 26, 2001, among the Corporation, Thomas Timbie, Timbie & Company, LLC, Charles A. Clarkson, Jerome Hayes and GG Tech, Inc.; (f) shares issued pursuant to preemptive rights under the Equity Agreement dated January 4, 2002, between the Corporation and University of Florida Research Foundation, Incorporated; (g) shares issued pursuant to preemptive rights under the Loan Agreement dated June 7, 2002, between the Corporation and Springboard Capital Management, Inc. (f/k/a Invest in North Florida, Inc.); (h) shares issued pursuant to preemptive rights contained in the Articles of Incorporation; and (i) the issuance or sale of the Corporation's common stock in an initial public offering.

(c) In furtherance of the preemptive rights hereby granted, the Corporation agrees to provide the holders of Series B Preferred Stock with not less than fifteen (15) days prior written notice (an "Equity Security Issuance Notice") of its intent to issue any stock. Such notice should specify in reasonable detail the stock to be issued, including class, total number of shares and the applicable rights and preferences associated therewith, including, if applicable, conversion rights, and the purchase price for the stock that holders may purchase pursuant to their preemptive rights hereby granted. The terms and conditions of holders' exercise of their preemptive rights, including the consideration to be paid for such stock, shall be no less favorable to the holders than the most favorable price, terms and conditions offered to any other shareholder or prospective shareholder with respect to the stock then being issued.

(d) In order to exercise their preemptive rights, holders shall deliver written notice thereof to the Corporation within fifteen (15) days following their receipt of the Equity Securities Issuance Notice to which such exercise relates, accompanied by full payment of the purchase price for the stock to be purchased in connection with the exercise of such preemptive rights. Holders may, at their option, exercise such preemptive rights to some or all of the stock to which they have preemptive rights under this Section 10. In the event that any stock is to be issued by the Corporation in return for property (other than cash) or services, in calculating the purchase price of the stock with respect to which holders have preemptive rights pursuant to this Section 10, the purchase price for the stock to be issued in exchange for non-cash property or services shall be equal to the fair market value of such property or services as determined in good faith by the Board of Directors of the Corporation and stated in the Equity Securities Issuance Notice.

11. Sales of Securities at a Reduced Price.

(a) In the event that there shall be any subsequent sales of shares of the Common Stock at a price per share less than \$0.435 per share (after adjustment for any stock dividend, stock split, stock issuance, reverse stock split, combination, recapitalization, reclassification, merger, consolidation or otherwise), the shares of Series B Preferred Stock shall be subject to full anti-dilution adjustment, such that the holders thereof will receive such number of additional shares of Series B Preferred Stock at no consideration as will make such holder's total purchase price per share for the Series B Preferred Stock (initially \$0.435 per share) equal to the lower price paid by the subsequent investor(s),

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after adjustment for any stock dividend, stock split, stock issuance, reverse stock split, combination, recapitalization, reclassification, merger, consolidation or otherwise. In the event that any portion of the consideration consists of property (other than cash) or services, in calculating the purchase price of the stock with respect to which holders have rights pursuant to this Section 11, the consideration consisting of non-cash property or services shall be equal to the fair market value of such property or services as determined in good faith by the Board of Directors of the Corporation.

(b) The provisions of this Section 11 shall remain in effect for the holders until July 30, 2006. This Section 11 shall not apply to (a) stock (including stock options, stock grants and restricted shares) issued to employees, consultants or directors of the Corporation pursuant to any incentive agreement or arrangement approved by the Board of Directors of the Corporation, including under Intelligenzia's Employee Stock Option Plan; (b) stock issued pursuant to any stock dividend, stock split, combination or other reclassification by the Corporation of any of its capital stock; (c) shares of stock issued pursuant to preemptive rights under the Investment Agreement dated as of January 4, 2002, as amended, between the Corporation and Demetree Brothers, Inc.; (d) shares issued pursuant to preemptive and anti-dilution rights under the Investment Agreement dated as of January 4, 2002, among the Corporation, Thomas Timbie, Timbie & Company, LLC, Charles A. Clarkson and Jerome Hayes; (e) shares issued pursuant to rights of first refusal and anti-dilution rights under the Investment Agreement dated as of January 26, 2001, among the Corporation, Thomas Timbie, Timbie & Company, LLC, Charles A. Clarkson, Jerome Hayes and CG Tech, Inc.; (f) shares issued pursuant to preemptive rights under the Equity Agreement dated January 4, 2002, between the Corporation and University of Florida Research Foundation, Incorporated; (g) shares issued pursuant to preemptive rights under the Loan Agreement dated June 7, 2002, between the Corporation and Springboard Capital Management, Inc. (f/k/a Invest in North Florida, Inc.); (h) shares issued pursuant to preemptive rights contained in the Articles of Incorporation; and (i) the issuance or sale of the Corporation's common stock in an initial public offering. In the event that this Section 11 and Section 10 both apply to a sale of shares of stock in the Corporation, Section 10 will be applied to such sale of shares prior to application of this Section 11.

12. Notice of Liquidation Events and Qualifying Dispositions.

If at any time there is a Liquidation Event or a Qualifying Disposition, then the Corporation shall give the holders of Series B Preferred Stock at least thirty (30) but not more than ninety (90) days written notice of the date on which the books of the Corporation will close or upon which a record will be taken with regard to such occurrence. Such notice will also specify the date as of which the holders of the Corporation's stock will be entitled to exchange their shares for securities or other property. The notice may state that the record date is subject to the effectiveness of a registration statement under the Securities Act or a favorable vote or determination of shareholders or of any governmental agency or other similar condition."

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