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BASIC AMENDMENT

INTELLIGENXIA INC.

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Certificate of Status	0
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FOLEY LARDNER

NO. 6416 P. 2/10

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ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF

INTELLIGENXIA INC.

FILED
03 JUL 29 PM 4:38
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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. The holders of the Corporation's Series A Preferred Stock (the only series or class entitled to vote on the amendments) approved the following amendments by written consent dated as of July 29, 2003, and the number of votes cast for the amendments by such holders was sufficient for approval.
4. The Articles of Incorporation as heretofore granted by the Secretary of the State of Florida, as amended, are hereby further amended in the following particulars:
5. Addendum Number 1 Designating the Rights, Preferences and Limitations of Series A Preferred Stock, \$0.01 Par Value, is hereby amended and restated in its entirety, as 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 29 day of July, 2003.

INTELLIGENXIA INC.

By: R. Mohan
Rengaswamy Mohan, President and Chief
Executive Officer

Fax Audit No.: H03000243095

Fax Audit No.: H03000243095

**SECOND AMENDED AND RESTATED
ADDENDUM NUMBER 1**

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

SERIES A 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, amending and restating the Series A 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 amend and restate its Series A Preferred Stock, \$0.01 par value (the "Preferred Stock"), 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, subject to obtaining the requisite approval of the holders of the Series A Preferred Stock:

SERIES A PREFERRED STOCK

1. Definitions.

"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 this Series. The initial Conversion Price shall be \$1.08 per share, subject to adjustments set forth in Section 5(c) below.

"Conversion Ratio" shall mean the Liquidation Price 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 majority of the outstanding equity securities of the surviving corporation after such transaction or

Fax Audit No.: H03000243095

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 issue 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 A 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.

2. Designation and Amount.

The shares of such series shall be designated "Series A Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting such series shall be 750,000.

3. Rank.

With respect to rights on a Liquidation Event, the Series A Preferred Stock shall rank senior to the Common Stock and Non-Voting Common Stock, \$.01 par value, of the Corporation.

Fax Audit No.: H03000243095

4. Dividends.

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 A 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 this Series (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 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 this Series 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 this Series 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

Fax Audit No.: H03000243095

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 this Series 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 any other sections hereof.

(iii) *Adjustments upon Capital Reorganizations, Reclassifications, Consolidations, Mergers and Sales of Assets.* If (i) the Common Stock issuable upon conversion of shares of this Series 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 this Series 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 this Series immediately prior to such event, subject to further adjustment under this Section 5.

Fax Audit No.: H03000243095

(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 this Series.

(e) No Fractional Shares. No fractional shares shall be issued upon conversion of shares of this Series 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 this Series pursuant to this Section 5, such converted shares of this Series will no longer be deemed to be outstanding and no longer have any voting rights, the right to receive dividends 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 this Series, sufficient shares of Common Stock to 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 this Series, 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 this Series 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.

In the event of any Liquidation Event, the holders of shares of the Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders an amount in cash equal to the Liquidation Price (or,

Fax Audit No.: H03000243095

if there are insufficient assets available to make the full distributions required by this section, the holders of the Series A Preferred Stock shall share, ratably, according to the number of the shares of Series A Preferred Stock then held by them and any other series of preferred stock with pari passu liquidation rights, in the assets available for distribution), 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 A 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 A Preferred Stock, such purchase price).

7. Voting Rights.

Holders of Series A 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 A Preferred Stock and Common Stock shall vote together as a single class of stock, and not as a separate class, on all matters on which the holders of Common Stock are entitled to vote.

8. 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 A 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 A 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 & Corporation, LLC, Charles A. Clarkson and Jerome Hayes; (e) shares issued pursuant to

Fax Audit No.: H03000243095

rights of first refusal and anti-dilution rights under the Investment Agreement dated as of January 26, 2001, among the Corporation, Thomas Timbie, Timbie & Corporation, 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 Invest in North Florida, Inc.; and (h) 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 A 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 8. 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 8, 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.

9. Sales of Securities at a Reduced Price.

(a) In the event that there shall be any subsequent sales of shares of the Corporation's 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 A Preferred Stock shall be subject to full anti-dilution adjustment, such that the holders thereof will receive such number of additional shares of Series A Preferred Stock at no consideration as will make such holder's total purchase price per share for the Series A Preferred Stock (initially \$0.435 per share) equal to the lower price paid by the subsequent investor(s), 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

Fax Audit No.: H03000243095

Fax Audit No.: H03000243095

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 9, 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 9 shall remain in effect for the holders until July ___, 2006. This Section 9 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 & Corporation, 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 & Corporation, 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 Invest in North Florida, Inc.; and (h) the issuance or sale of the Corporation's common stock in an initial public offering. In the event that this Section 9 and Section 8 both apply to a sale of shares of stock in the Corporation, Section 8 will be applied to such sale of shares prior to application of this Section 9.

10. 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 A 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."