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DIVISION OF CORPORATIONS

**THIRD AMENDED AND RESTATED
ARTICLES OF INCORPORATION
of
PSILOQUEST, INC.**

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The undersigned, acting in his capacity as an authorized officer of psiloQuest, Inc. (the "Corporation"), a Florida corporation, on behalf of the Corporation, has executed this Third Amended and Restated Articles of Incorporation (these "Articles"), as approved and adopted by the Board of Directors (the "Board of Directors") of the Corporation pursuant to applicable *Florida Statutes*. This Third Amended and Restated Articles of Incorporation was approved by the Corporation's shareholders, and the number of votes cast therefor was sufficient for approval by each of the voting groups entitled to cast votes thereon.

This Third Amended and Restated Articles of Incorporation amends and restates in its entirety the Corporation's Second Amended and Restated Articles of Incorporation, as filed with the Florida Department of State on July 30, 2003, as amended by the Articles of Amendment to the Second Amended and Restated Articles of Incorporation, as filed with the Florida Department of State on March 22, 2005.

ARTICLE I

CORPORATION. The name of the Corporation is psiloQuest, Inc. The address of the Corporation in the State of Florida is 11495 Lake Underhill Road, Orlando, Florida 32825. The name of the registered agent of the Corporation in the State of Florida is A.G.C. Co. and the address of the registered agent is 200 South Orange Avenue, Suite 2300, Orlando, Florida 32801.

ARTICLE II

PURPOSE. The Corporation is organized for the purpose of transacting any lawful act or activity for which corporations may be incorporated under the laws of the State of Florida.

ARTICLE III

A. CLASSES OF STOCK. This Corporation is authorized to issue two classes of shares to be designated, respectively, Preferred Stock ("Preferred Stock") and Common Stock ("Common Stock"). The total number of shares of capital stock that this Corporation shall have authority to issue is Thirty-Two Million Six Hundred Ten Thousand (32,610,000). The total number of shares of Preferred Stock this Corporation shall have authority to issue is Twelve Million Six Hundred Ten Thousand (12,610,000). The total number of shares of Common Stock this Corporation shall have authority to issue is Twenty Million (20,000,000). The Preferred Stock shall have a par value of \$.001 per share and the Common Stock shall have a par value of \$.001 per share.

B. SERIES OF PREFERRED STOCK. The Preferred Stock shall be divided into series. The first series shall consist of One Hundred Thousand (100,000) shares and is designated "Series A Preferred Stock." The second series shall consist of Ten Million (10,000,000) shares and is designated "Series B Preferred Stock." The shares of Series B Preferred Stock authorized hereby consist of issued shares or shares available for issuance as of the date of the filing of these Articles, notwithstanding any Series B Preferred Stock that was converted, redeemed or otherwise retired by the Company prior to the date of these Articles. The third series shall consist of Two Million Five Hundred Thousand (2,500,000) shares and is designated "Series C Preferred Stock." The fourth series shall consist of Ten Thousand (10,000) shares of non-voting Preferred Stock and is designated "Series M Preferred Stock."

C. PREFERRED STOCK. The powers, preferences, rights, restrictions, and other matters relating to the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series M Preferred Stock are as follows:

1. Preferred Stock Dividends.

(a) The holders of the outstanding Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, or otherwise as expressly provided herein, dividends at the rate of eight percent (8%) of Two and No/00 Dollars (\$2.00) per share (the "Original Purchase Price") (as adjusted for any stock dividends, combinations or splits with respect to such shares) per annum, payable out of funds legally available therefor ("Accruing Dividends"). Accruing Dividends shall be cumulative and shall accrue monthly from the later of July 30, 2002, or the date of issue, without interest, whether or not such dividends have been declared, until September 30, 2005. All Accruing Dividends shall be payable when declared by the Board of Directors or, without declaration upon (i) a Liquidation Event (as defined in Article III.C.2(a)), (ii) any conversion of the Series B Preferred Stock into shares of Common Stock in accordance with Article III, Section C.5 (except as otherwise provided herein), or (iii) any redemption of the Series B Preferred Stock in accordance with Article III, Section C.3. If, when permitted by these Articles, the holders of the Series B Preferred Stock elect to have the Accruing Dividends paid in Series B Preferred Stock, the Corporation and the holders of the Series B Preferred Stock and any other class or series of stock permitted or required to vote thereon shall use their best efforts to increase the number of shares of Series B Preferred Stock to a number of shares that are sufficient for the issuance of the Series B Preferred Stock to be issued as Accruing Dividends. Except as aforesaid, the Series B Preferred Stock shall not be entitled to dividends except when, as and if declared by the Board of Directors.

Except for Accruing Dividends, no dividends shall be paid on or declared and set apart for the shares of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock for any dividend period unless at the same time a like proportionate dividend for the same dividend period, ratably in proportion to the respective annual dividend rates fixed therefor, shall be paid on or declared and set apart for each other series of Preferred Stock, provided that no dividends shall be paid on or declared and set apart for the shares of the Series A Preferred Stock or Series C Preferred Stock until all Accruing Dividends shall have been paid on or declared and set aside for the shares of the Series B Preferred Stock.

No dividends (other than those payable solely in the Common Stock of the Corporation) shall be paid on any Common Stock of the Corporation during any fiscal year of the Corporation until the Accruing Dividends shall have been paid or declared and set apart during that fiscal year and any prior year in which dividends accumulated but remain unpaid.

In the event dividends are paid on any shares of Common Stock, the dividend shall be paid with respect to all outstanding shares of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock in an amount per share (on an as-if-converted to Common Stock basis) equal to the amount paid or set aside for each share of Common Stock.

The Series M Preferred Stock shall not be entitled to receive dividends.

(b) In the event the Corporation shall declare a distribution (other than any distribution described in Article III Section C.2 or C.3) payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights to purchase any such securities or evidences of indebtedness, then, in each such case the holders of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall be entitled to a proportionate share of any such distribution as though such holders were the holders of the number of

shares of Common Stock of the Corporation into which their respective shares of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

2. Preferred Stock Liquidation Preference.

(a) **General Preference Rights of Series M Preferred Stock.** In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), the holders of the Series M Preferred Stock shall be entitled to receive certain amounts concurrently with or in preference to the rights of any other series of Preferred Stock or the Common Stock, as applicable (but in each instance prior and in preference to the rights any then-applicable junior series of Preferred Stock or the Common Stock, as the case may be), as more particularly set forth in this Section C.III.2.

(b) **Partial Preference Rights of Series M Preferred Stock and Preference Rights of Series C Preferred Stock.** In the event of any Liquidation Event, the holders of the Series M Preferred Stock and the Series C Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Series B Preferred Stock, the Series A Preferred Stock and the Common Stock by reason of their ownership thereof, the Series M Percentage and the Series C Percentage (as such terms are defined below), respectively, of such assets or surplus funds of the Corporation until such time as the holders of the Series C Preferred Stock have received the amount of One Dollar and Sixty-Five Cents (\$1.65) per share (as adjusted for any stock dividends, combinations or splits with respect to such shares), plus all declared but unpaid dividends on such share for each share of Series C Preferred Stock then held by them; provided, however, in no event shall the holders of the Series M Preferred Stock receive more than Five Hundred Thousand and No/00 Dollars (\$500,000) pursuant to this Article III.C.2(b). If upon the occurrence of such Liquidation Event, the respective percentage of such assets and funds thus distributed among the holders of the Series C Preferred Stock shall be insufficient to permit the payment to the holders of the Series C Preferred Stock of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution shall be distributed to the holders of the Series C Preferred Stock and the Series M Preferred Stock in accordance with the foregoing percentages and, within each such series, ratably among the holders thereof in proportion to the preferential amount each such holder is otherwise entitled to receive within such series. The "Series M Percentage" means the percentage calculated by dividing \$500,000 by the sum of \$500,000 plus the Aggregate Series C Investment (as defined below). The "Series C Percentage" means the percentage calculated by dividing the Aggregate Series C Investment by the sum of \$500,000 plus the Aggregate Series C Investment. The "Aggregate Series C Investment" means the number of shares of Series C Preferred Stock outstanding on the date of any Liquidation Event multiplied by One Dollar and Sixty-Five Cents (\$1.65).

(c) **Additional Partial Preference Rights of Series C Preferred Stock.** After payment to the holders of the Series M Preferred Stock and the Series C Preferred Stock of the amounts set forth in subsection (b), the holders of the Series C Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Series M Preferred Stock, the Series B Preferred Stock, the Series A Preferred Stock and the Common Stock by reason of their ownership thereof, such assets or surplus funds of the Corporation until such time as the holders of the Series C Preferred Stock have received the amount of Two Dollars and Eighty-Nine Cents (\$2.89) per share (as adjusted for any stock dividends, combinations or splits with respect to such shares), plus all declared but unpaid dividends on such share for each share of Series C Preferred Stock then held by them. If upon the occurrence of such Liquidation Event and after the payment to the holders of the Series M Preferred Stock and the Series C Preferred Stock of the amounts

set forth in subsection (b), the assets and funds thus distributed among the holders of the Series C Preferred Stock shall be insufficient to permit the payment to the holders of the Series C Preferred Stock of the full aforesaid preferential amount, then the assets and funds of the Corporation legally available for distribution after the payment of the amounts set forth in subsection (b) shall be distributed ratably among the holders of the Series C Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive

(d) Additional Partial Preference Rights of Series M Preferred Stock. After payment to the holders of the Series M Preferred Stock and the Series C Preferred Stock of the amounts set forth in subsections (b) and (c), the holders of the Series M Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Series B Preferred Stock, the Series A Preferred Stock or the Common Stock by reason of their ownership thereof, the aggregate amount of Three Hundred Thousand and No/00 Dollars (\$300,000.00). If upon the occurrence of such Liquidation Event and after the payment to the holders of the Series M Preferred Stock and the Series C Preferred Stock of the amounts set forth in subsections (b) and (c), the assets and funds thus distributed among the holders of the Series M Preferred Stock shall be insufficient to permit the payment to the holders of Series M Preferred Stock the full aforesaid preferential amounts, then the assets and funds of the Corporation legally available for distribution after the payment of the amounts set forth in subsections (b) and (c) shall be distributed ratably among the holders of the Series M Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(e) Additional Partial Preference Rights of Series M Preferred Stock and Preference Rights of Series B Preferred Stock. After payment to the holders of the Series M Preferred Stock and the Series C Preferred Stock of the amounts set forth in subsection (b), the payment to the holders of the Series C Preferred Stock of the amounts set forth in subsection (c) and the payment to the holders of the Series M Preferred Stock of the amounts set forth in subsection (d), the holders of the Series M Preferred Stock and the B Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Series A Preferred Stock or the Common Stock by reason of their ownership thereof, 9.091% and 90.909%, respectively, such assets or surplus funds of the Corporation until such time as the holders of the Series B Preferred Stock have received the amount of Two and No/00 Dollars (\$2.00) per share (as adjusted for any stock dividends, combinations or splits with respect to such shares), plus all Accruing Dividends and all declared but unpaid dividends on such share for each share of Series B Preferred Stock then held by them. If upon the occurrence of such Liquidation Event and after the payment to the holders of the Series M Preferred Stock and the Series C Preferred Stock of the amounts set forth in subsection (b), the payment to the holders of the Series C Preferred Stock of the amounts set forth in subsection (c) and the payment to the holders of the Series M Preferred Stock of the amounts set forth in subsection (d), the assets and funds thus distributed among the holders of the Series M Preferred Stock and the Series B Preferred Stock shall be insufficient to permit the payment to the holders of the Series M Preferred Stock and the Series B Preferred Stock of the full aforesaid preferential amounts, then the entire assets and funds of the Corporation legally available for distribution after the payment of the amounts set forth in subsections (b), (c) and (d) shall be distributed to the holders of the Series M Preferred Stock and the Series B Preferred Stock in accordance with the foregoing percentages and, within each such series, ratably among the holders of the Series M Preferred Stock and the Series B Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive within such series.

(f) Additional Partial Preference Rights of Series M Preferred Stock. After payment to the holders of the Series M Preferred Stock and the Series C Preferred Stock of the amounts set forth in subsection (b), payment to the holders of the Series C Preferred Stock of the amounts set forth in subsection (c), payment to the holders of the Series M Preferred Stock of the amounts set forth in

subsection (d) and payment to the holders of the Series M Preferred Stock and the Series B Preferred Stock of the amounts set forth in subsection (e) (collectively, the "Prior Preference Payments"), the holders of the Series M Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Series A Preferred Stock or the Common Stock by reason of their ownership thereof, the amount equal to (A) 10% of the aggregate amount of assets or surplus funds of the Corporation initially available for distribution hereunder prior to any Prior Preference Payments less (B) the aggregate amount of the Prior Preference Payments distributed to the holders of the Series M Preferred Stock in accordance with subsections (b) through (e). If upon the occurrence of such Liquidation Event and after the payment to the applicable holders of the Series M Preferred Stock, the Series C Preferred Stock and the Series B Preferred Stock of the Prior Preference Payments, the assets and funds thus distributed among the holders of the Series M Preferred Stock shall be insufficient to permit the payment to the holders of the Series M Preferred Stock of the full aforesaid preferential amount, then the assets and funds of the Corporation legally available for distribution after the payment of the Prior Preference Payments shall be distributed ratably among the holders of the Series M Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(g) Preference Rights of Series A Preferred Stock. After payment of the Prior Preference Payments and the payment to the holders of the Series M Preferred Stock of the amounts set forth in subsection (f), the holders of the Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock by reason of their ownership thereof, the amount of One and No/00 Dollar (\$1.00) per share (as adjusted for any stock dividends, combinations or splits with respect to such shares), plus all declared but unpaid dividends on such share for each share of Series A Preferred Stock then held by them. If upon the occurrence of such Liquidation Event and after the payment of the Prior Preference Payments and the payment to the holders of the Series M Preferred Stock of the amounts set forth in subsection (f), the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to the holders of the Series A Preferred Stock of the full aforesaid preferential amount, then the assets and funds of the Corporation legally available for distribution after the payment of the Prior Preference Payments and the amounts set forth in subsection (f) shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(h) Remaining Assets. After each respective payment to the applicable holders of the Preferred Stock of the amounts set forth in subsections (b) through (f), the entire remaining assets and funds of the Corporation legally available for distribution, if any, shall be distributed among the holders of the Common Stock and the holders of the Series A Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock in proportion to the shares of Common Stock then held by them and the shares of Common Stock that they then have the right to acquire upon conversion of the shares of applicable series of Preferred Stock then held by them. The holders of Series M Preferred Stock shall not be entitled to the distribution of any remaining assets pursuant to this Article III, Section C.2.(h).

(i) Certain Other Transactions. For purposes of this Article III, Section C.2., a Liquidation Event shall be deemed to be occasioned by, or to include, (i) any transaction or series of transactions which results in the disposition to a single person or entity or group of affiliated persons or entities of greater than fifty percent (50%) of the voting power of the Corporation, (ii) any acquisition of the Corporation effected by means of merger, consolidation, share exchange or other form of corporate reorganization in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring corporation or its affiliates or (iii) a sale or exclusive license of a majority of the assets of the Corporation (each such event, a "Combination"). Notwithstanding the foregoing, a Combination shall not be deemed to be a Liquidation Event upon the

election by the holders of at least sixty percent (60%) of the outstanding shares of Series B Preferred Stock, unless any of the Series C Preferred Stock is issued and outstanding, in which case a Combination shall not be deemed to be a Liquidation Event only upon the election by the holders of at least a majority of the outstanding shares of Series C Preferred Stock.

(j) Valuation of Non-Cash Assets. Whenever the distribution provided for in this Article III, Section C.2. shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

3. Preferred Stock Redemption.

(a) Redemption Terms Generally. At any time after November 11, 2010, upon the affirmative vote of the holders of a majority of the then-outstanding shares of Series B Preferred Stock, voting as a single class, and the holders a majority of the then-outstanding shares of Series C Preferred Stock, voting as a single class, and on the date elected by such affirmative vote (the "Redemption Date"), the Corporation shall redeem, from any source of funds legally available therefore, the Preferred Stock of the Corporation in accordance with the following:

(i) All of the shares of the outstanding Series C Preferred Stock shall be redeemed in one (1) payment on the Redemption Date; and

(ii) Provided the redemption of the Series C Preferred Stock has been completed as set forth in Article III, Section C.3(a)(i) above, and provided there are remaining funds legally available therefore after the redemption of the Series C Preferred Stock, the Series A Preferred Stock and Series B Preferred Stock shall be redeemed in three (3) equal installments beginning on the Redemption Date and continuing thereafter on each anniversary date of the Redemption Date (each a "Redemption Date"), until the second (2nd) anniversary of the initial Redemption Date, whereupon all of the remaining Series A Preferred Stock and Series B Preferred Stock outstanding shall be redeemed.

With respect to the Series B Preferred Stock to be redeemed on the Redemption Date, immediately prior to a redemption, the Corporation shall pay all unpaid Accruing Dividends by issuing additional shares of Series B Preferred Stock equal to the cash value of the dividends divided by the Original Purchase Price (as adjusted for any stock dividends, combinations or splits with respect to such shares).

The Corporation shall effect such redemptions on the applicable Redemption Dates by paying in cash in exchange for the shares of Preferred Stock to be redeemed a sum equal to the greater of (i) the fair market value of the preferred Stock, as determined in good faith by the Board of Directors as of the initial Redemption Date or (ii) Two and No/00 Dollars (\$2.00) per share for the Series A Preferred Stock, or Four and No/00 Dollars (\$4.00) per share for the Series B Preferred Stock, or Three Dollars and Thirty Cents (\$3.30) per share for the Series C Preferred Stock, as applicable (each as adjusted for any stock dividends, combinations or splits with respect to such shares) (the "Redemption Price").

The number of shares of Series A Preferred Stock that the Corporation shall be required under this Article III, Section C.3(a)(ii) to redeem on any one Redemption Date shall be equal to the amount determined by dividing (x) the aggregate number of shares of Series A Preferred Stock outstanding immediately prior to the Redemption Date by (y) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies).

The number of shares of Series B Preferred Stock that the

Corporation shall be required under this Article III, Section C.3(a)(ii) to redeem on any one Redemption Date shall be equal to the amount determined by dividing (x) the aggregate number of shares of Series B Preferred Stock outstanding immediately prior to the Redemption Date by (y) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies).

Any redemption effected pursuant to this Article III, Section C.3(a)(ii) shall be made on a pro-rata basis among the holders of the Series A Preferred Stock and Series B Preferred Stock, respectively, in proportion to the shares of Series A Preferred Stock or Series B Preferred Stock then held by them (including any shares of Series B Preferred Stock issued in payment of any Accruing Dividends).

(iii) The Series M Preferred Stock shall not be entitled to any redemption.

(b) Redemption Notice and Payment. At least fifteen (15) but no more than thirty (30) days prior to each Redemption Date, written notice shall be mailed, first class postage prepaid, or sent by electronic transmission, with delivery of such electronic transmission confirmed by recipient response, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Preferred Stock to be redeemed, at the address last shown on the records of the Corporation for such holder, notifying such holder of the redemption to be effected and specifying the number of shares to be redeemed from such holder, the Redemption Date, the applicable Redemption Price and the place at which payment may be obtained, and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, such holder's certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in Article III, Section C.3(c), on or after the Redemption Date, each holder of Preferred Stock to be redeemed shall surrender to this Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the applicable Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

(c) Post-Redemption. From and after the payment of the Redemption Price, all rights of the holders of shares of Preferred Stock designated for redemption in the Redemption Notice as holders of Preferred Stock shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Preferred Stock to be redeemed on such date, those funds that are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Preferred Stock. The shares of Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock, such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on any Redemption Date, but which it has not redeemed.

(d) Redemption Trust. On or prior to each Redemption Date, the Corporation shall deposit the Redemption Price of all shares of Preferred Stock designated for redemption in the Redemption Notice and not yet redeemed with a bank or trust corporation having aggregate capital and surplus in excess of One Hundred Million and No/00 Dollars (\$100,000,000) as a trust fund for the benefit of the respective holders of the shares designated for redemption and not yet redeemed, with

irrevocable instructions and authority to the bank or trust corporation to pay the Redemption Price for such shares to their respective holders on or after the applicable Redemption Date upon receipt of notification from the Corporation that such holder has surrendered his share certificate to the Corporation pursuant to Article III, Section C.3(b) above.

As of the Redemption Date, the deposit shall constitute full payment of the shares to the holders, and from and after the Redemption Date the shares so called for redemption shall be redeemed and shall be deemed to be no longer outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust corporation payment of the Redemption Price of the shares, without interest, upon surrender of their certificates therefore. Such instruction shall also provide that any moneys deposited by the Corporation pursuant to this Article III, Section C.3(d) for the redemption of shares thereafter converted into shares of the Corporation's Common Stock pursuant to Article III, Section C.5 hereof prior to the Redemption Date shall be returned to the Corporation forthwith upon such conversion. The balance of any moneys deposited by the Corporation pursuant to this Article III, Section C.3(d) remaining unclaimed at the expiration of two (2) years following the Redemption Date shall thereafter be returned to the Corporation upon its request expressed in a resolution of its Board of Directors.

4. Preferred Stock Voting Rights and Election of Directors.

(a) Preferred Voting Rights. The holder of each share of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such share of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock could be converted, and shall have voting rights and powers equal to the voting rights and powers of the Common Stock (except as otherwise expressly provided herein or as required by law, voting together with the Common Stock as a single class), and shall be entitled to notice of any shareholders' meeting in accordance with the Bylaws of the Corporation. No holder of any share of Series M Preferred Stock shall be entitled to any voting rights or powers, including, without limitation, with respect to the election of directors, any merger or consolidation of the Corporation, sale of any assets of the Corporation, or with respect to and any liquidation or deemed liquidation of the Corporation.

(b) Board Composition and Election. The Board of Directors shall consist of three (3) members. The holders of the Series C Preferred Stock, as a class, shall be entitled to elect two (2) members of the Board of Directors. In the event that no Series C Preferred Stock has been issued or is outstanding, the holders of the Series B Preferred Stock, as a class, shall be entitled to elect two (2) members of the Board of Directors. The holders of the Common Stock, as a class, shall be entitled to elect one (1) member of the Board of Directors, which member in order to serve must be designated by the Board of Directors as a member of the Corporation's active management team. Notwithstanding the foregoing, if at any time less than ten percent (10%) of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock issued from time to time are outstanding (as adjusted for stock splits, combinations, dividends or similar events), all of the directors shall be elected by the holders of the Series A Preferred Stock (voting on an as-if-converted basis), the Series B Preferred Stock (voting on an as-if-converted basis), the Series C Preferred Stock (voting on an as-converted basis) and the holders of the Common Stock, all voting together as a single class.

(c) Vacancy Appointments. In the case of any vacancy in the office of a director occurring among the directors elected by either the holders of a group described above, the remaining director(s) so elected by the holders of such group may, or if there is no such director remaining, the holders of such group, voting as a group, shall be entitled to elect a successor or successors to hold the office for the unexpired term, of the director or directors whose place or places shall be vacant.

Any director who shall have been elected by the holders of a group described above, or any director so elected as provided in the preceding sentence hereof, may be removed during the foresaid term of office, whether with or without cause, only by the affirmative vote of the holders of a majority of the shares of such group.

5. Preferred Stock Conversion.

The holders of the Series M Preferred Stock shall not be entitled to any conversion rights. The holders of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert.

(i) Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share and on or prior to the fifth (5th) day prior to the Redemption Date, if any, as may have been fixed in any Redemption Notice with respect to the Series A Preferred Stock, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing One and No/00 Dollar (\$1.00) by the Conversion Price applicable to such share, determined as hereinafter provided, in effect on the date the certificate is surrendered for conversion. The price at which shares of Common Stock shall be deliverable upon conversion of shares of the Series A Preferred Stock (the "Series A Conversion Price") shall initially be One and No/00 Dollar (\$1.00) per share of Common Stock. Such initial Series A Conversion Price shall be adjusted as hereinafter provided. Upon the conversion of Series A Preferred Stock as provided herein, any declared but unpaid dividends on the shares of Series A Preferred Stock may be converted into the number of shares of Common Stock equal to the amount of the declared but unpaid dividends divided by the Series A Conversion Price per share of Series A Preferred Stock.

(ii) Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share and on or prior to the fifth (5th) day prior to the Redemption Date, if any, as may have been fixed in any Redemption Notice with respect to the Series B Preferred Stock, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing Two and No/00 Dollars (\$2.00) by the Conversion Price applicable to such share, determined as hereinafter provided, in effect on the date the certificate is surrendered for conversion. The price at which shares of Common Stock shall be deliverable upon conversion of shares of the Series B Preferred Stock (the "Series B Conversion Price") shall initially be Two and No/00 Dollars (\$2.00) per share of Common Stock. Such initial Series B Conversion Price shall be adjusted as hereinafter provided. Upon the conversion of Series B Preferred Stock as provided herein, any Accruing Dividends and declared but unpaid dividends on the shares of Series B Preferred Stock may be converted into the number of shares of Common Stock equal to the amount of the Accruing Dividends or declared but unpaid dividends divided by the Series B Conversion Price per share of Series B Preferred Stock.

(iii) Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share and on or prior to the fifth (5th) day prior to the Redemption Date, if any, as may have been fixed in any Redemption Notice with respect to the Series C Preferred Stock, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing One Dollar and Sixty-Five Cents (\$1.65) by the Conversion Price applicable to such share, determined as hereinafter provided, in effect on the date the certificate is surrendered for conversion. The price at which shares of Common Stock shall be deliverable upon conversion of shares of the Series C

Preferred Stock (the "Series C Conversion Price") shall initially be One Dollar and Sixty-Five Cents (\$1.65) per share of Common Stock. Such initial Series C Conversion Price shall be adjusted as hereinafter provided. Upon the conversion of Series C Preferred Stock as provided herein, any declared but unpaid dividends on the shares of Series C Preferred Stock may be converted into the number of shares of Common Stock equal to the amount of the declared but unpaid dividends divided by the Series C Conversion Price per share of Series C Preferred Stock.

(b) Automatic Conversion.

(i) Each share of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock shall automatically be converted into shares of Common Stock at the then-effective Series A Conversion Price or Series B Conversion Price or Series C Conversion Price, respectively, upon the earlier of (A) as to each Series, the date specified by vote or written consent of the holders of a majority of the shares of Series A Preferred Stock then outstanding or the holders of sixty percent (60%) of the shares of Series B Preferred Stock then outstanding or the holders of a majority of the shares of Series C Preferred Stock then outstanding, as the case may be, or (B) as to all Series, immediately upon the closing of the sale of the Corporation's Common Stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), other than a registration relating solely to a transaction under Rule 145 of the Securities Act (or any successor thereto) or to an employee benefit plan of the Corporation, at a public offering price (prior to underwriters' discounts and expenses) equal to or exceeding Five and No/00 Dollars (\$5.00) per share of Common Stock (as adjusted for any stock dividends, combinations or splits with respect to such shares) and the aggregate proceeds to the Corporation and/or any selling stockholders (after deduction for underwriters' discounts and expenses relating to the issuance, including without limitation fees of the Corporation's counsel) of which exceed Fifteen Million and No/00 Dollars (\$15,000,000). Upon any conversion of the Series B Preferred Stock into shares of Common Stock pursuant to this Article III, Section C.5(b)(i), the Corporation shall immediately pay all Accruing Dividends and all declared but unpaid dividends on the Series B Preferred Stock by issuing additional shares of Series B Preferred Stock equal to the cash value of the dividends divided by Two and No/00 Dollars (\$2.00) per share of such Series B Preferred Stock.

(ii) The Corporation intends to execute a Note Purchase Agreement on or about November 10, 2005, with the holders of its Series A Preferred Stock and its Series B Preferred Stock (as may be amended from time to time, the "Note Agreement"), pursuant to which it is intended that each such holder will advance certain funds to the Corporation (the "Advance Amount") and convert existing notes from the Corporation, as described therein. If, by November 11, 2005, a holder of Series A Preferred Stock or Series B Preferred Stock does not execute and deliver the Note Agreement to the Corporation agreeing to fund to the Corporation an amount not less than the Minimum Advance Amount (as defined in the Note Agreement) applicable to such holder, or thereafter fails to fund the First Tranche (as defined in the Note Agreement) when due thereunder, then all of the Preferred Stock owned by such holder shall, on the first (1st) business day following the date on which the First Tranche was due, automatically convert into shares of Common Stock at the then-effective Series A Conversion Price or Series B Conversion Price, as applicable, and the certificates evidencing such converted Series A Preferred Stock or Series B Preferred Stock shall be cancelled in the records of the Corporation. Thereafter, if any holder fails to fund the Second Tranche (as defined in the Note Agreement) when due thereunder or if any holder fails to timely fund any additional amounts as may be required under the Note Agreement pursuant to an amendment thereto (either, a "Required Payment"), the Company shall provide written notice to such Investor of the Investor's default under the Note Agreement ("Default Notice"). The Default Notice shall be provided within ten (10) days of Investor's default thereunder, and the Investor shall have ten (10) days from the date of the Investor's receipt of the Default Notice (the "Grace Period") to cure such default by funding the Required Payment. If the Investor has not funded a Required

Payment before the expiration of the applicable Grace Period, then, effective as of the date on which the Required Payment was due, the entire principal balance of such holder's Advance Note (as defined in the Agreement) issued for the First Tranche and all accrued but unpaid interest thereon shall automatically convert into Series B Stock, and then immediately thereafter, all of the Series B Stock issuable to such holder, together with all of the other Preferred Stock owned by such holder shall automatically convert into shares of Common Stock at the then-effective Series A Conversion Price or Series B Conversion Price, as applicable, and the certificates evidencing such converted Series A Preferred Stock or Series B Preferred Stock shall be cancelled in the records of the Corporation. Upon conversion of any Series B Preferred Stock into shares of Common Stock pursuant to this Article III, Section C.5(b)(ii) or otherwise pursuant to the Note Agreement, the Corporation shall immediately pay all Accruing Dividends and all declared but unpaid dividends on Series B Preferred Stock by issuing additional shares of Common Stock equal to the cash value of the dividends divided by by Two and No/00 Dollars (\$2.00) per share of such Series B Preferred Stock.

(c) Mechanics of Conversion.

(i) Before any holder of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, and shall give written notice to the Corporation at such office that such holder elects to convert the same and shall state therein the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(ii) If the conversion is in connection with an underwritten offering of securities pursuant to the Securities Act, the conversion may, at the option of any holder tendering shares of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the holders entitled to receive the Common Stock upon conversion of the Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock shall not be deemed to have converted such Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock until immediately prior to the closing of such sale of securities.

(d) Adjustments to Conversion Price for Certain Diluting Issues.

(i) Special Definitions. For purposes of this Section C.5(d), the following definitions apply:

(1) "Options" shall mean rights, options, or warrants to subscribe for, purchase or otherwise acquire either Common Stock or Convertible Securities (defined below).

(2) "Original Issue Date" shall mean November 10, 2005.

(3) "Convertible Securities" shall mean any evidences of indebtedness, shares (other than Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, or Series M Preferred Stock) or other securities convertible into or exchangeable for Common Stock.

(4) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Article III, Section C.5(d)(iii), deemed to be issued) by the Corporation after the Original Issue Date, other than shares of Common Stock issued or issuable:

(A) upon conversion of shares of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock;

(B) to officers, directors or employees of, or consultants to, the Corporation pursuant to stock option or stock purchase plans or agreements on terms approved by the Board of Directors, but not exceeding One Million Eight Hundred Eighty-Six Thousand (1,886,000) shares of Common Stock (net of any repurchases of such shares or cancellations or expirations of options), subject to adjustment for all subdivisions, stock dividends and combinations;

(C) as a dividend or distribution on Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock; or

(D) for which adjustment of the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price is made pursuant to Section C.5(e), (f) or (g);

(E) upon exercise of any of the Warrants to purchase up to Seven Hundred Seventy-Five Thousand Three Hundred Thirty Eight (775,338) shares of Common Stock ("Warrants") to the extent such are issued and outstanding as of the date hereof, subject to adjustments for all stock dividends, combinations or splits with respect to such shares;

(F) for consideration other than cash in connection with an acquisition, strategic alliance, joint venture or similar business transaction approved by the Board; or

(G) in connection with any equipment loan, commercial credit or leasing arrangement, real property leasing arrangement or debt financing from a bank or similar financial institution, as such transaction may be approved by the Board.

(ii) No Adjustment of Conversion Price. Any provision herein to the contrary notwithstanding, no adjustment in the Series A Conversion Price, Series B Conversion Price or Series C Conversion Price shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share (determined pursuant to Article III, Section C.5(d)(v) hereof) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Conversion Price for such series of Preferred Stock in effect on the date of, and immediately prior to, such issue.

(iii) Deemed Issue of Additional Shares of Common Stock. In the event the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities then entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein designed to protect against dilution) of Common Stock issuable upon the exercise of such Options or, in

the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(1) no further adjustments in the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(2) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or decrease or increase in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities (provided, however, that no such adjustment of the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price shall affect Common Stock previously issued upon conversion of the Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock);

(3) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:

(A) In the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

(B) In the case of Options for Convertible Securities only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such options, whether or not exercised, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 12.5(d)) upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(4) no readjustment pursuant to clause (2) or (3) above shall have the effect of increasing the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price to an amount which exceeds the lower of (A) the Series A Conversion Price or Series B

Conversion Price or Series C Conversion Price, respectively, on the original adjustment date, or (B) the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price, respectively, that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date; and

(5) In the case of any Options which expire by their terms not more than thirty (30) days after the date of issue thereof, no adjustment of the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in clause (3) above.

(iv) Adjustment of Conversion Price upon Issuance of Additional Shares of Common Stock. In the event this Corporation, at any time after the Original Issue Date shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Article III, Section C.5(d)(iii)) without consideration or for a consideration per share less than the applicable Conversion Price with respect to any series of Preferred Stock in effect on the date of and immediately prior to such issue, then and in such event, the Conversion Price for such series of Preferred Stock shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price in effect immediately prior to such issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued. For the purpose of the above calculation, the number of shares of Common Stock outstanding immediately prior to such issue shall be calculated as if all outstanding shares of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock had been fully converted into shares of Common Stock immediately prior to such issuance, but shall exclude all other shares of Common Stock issuable upon conversion or exercise of then-outstanding rights or options to acquire Common Stock or other stock or securities convertible into Common Stock.

(v) Determination of Consideration. For purposes of this Article III, Section C.5(d), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(1) Cash and property. Such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(C) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration

per share received by the Corporation for Additional Shares of Common Stock relating to Options and Convertible Securities that are deemed to have been issued pursuant to Article III, Section C.5(d)(iii) shall be determined by dividing:

(A) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(B) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against the dilution) issuable upon the exercise of such Options or conversion or exchange of such Convertible Securities.

(e) Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivisions of Common Stock. In the event that this Corporation at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for any series of Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that this Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

(f) Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Article III, Section C.5(e) above, or a merger or other reorganization referred to in Article III, Section C.2(i) above), the Series A Conversion Price or Series B Conversion Price or Series C Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock immediately before that change.

(g) Reorganizations, Mergers, Consolidations or Sales of Assets. If at any time or from time to time after the Original Issue Date, there is a capital reorganization of the Common Stock (other than as defined in Article III, Section C.2(e) or as recapitalization, subdivision, combination,

reclassification, exchange or substitution of shares provided for elsewhere in this Article III, Section C.5), as a part of such capital reorganization, provision shall be made so that the holders of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall thereafter be entitled to receive, upon conversion, the number of shares of stock or other securities or property of the Corporation to which a holder of the number of shares of Common Stock deliverable upon conversion would have been entitled on such capital reorganization, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article III, Section C.5 with respect to the rights of the holders of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock after the capital reorganization to the end that the provisions of this Article III, Section C.5 (including adjustment of the Series A Conversion Price and Series B Conversion Price and Series C Conversion Price then in effect and the number of shares issuable upon conversion) shall be applicable after that event and be as nearly equivalent as practicable.

(h) No Impairment. The Corporation will not, by amendment of these Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Article III, Section C.5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock against impairment.

(i) Certificates as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Article III, Section C.5, the Corporation shall, at its expense, promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock a certificate executed by the Corporation's President or Secretary setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price for such series of Preferred Stock at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon conversion.

(j) Notices of Record Date. In the event that the Corporation shall propose at any time: (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any re-classification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock:

(A) at least five (5) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in Subsection (j)(iii) and (j)(iv) above; and

(B) in the case of the matters referred to in Subsection (j)(iii) and (j)(iv) above, at least five (5) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

(k) Issue Taxes. The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

(l) Reservation of Stock Issuable upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series A Preferred Stock and Series B Preferred Stock and Series C Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to these Articles.

(m) Fractional Shares. No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion, as determined in good faith by the Board of Directors.

(n) Notices. Any notice required by the provisions of this Article III, Section C.5 to be given to the holders of shares of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock shall be deemed given five (5) business days after deposit in the United States mail, postage prepaid, or upon delivery if delivered personally by hand or by electronic transmission with delivery of such electronic transmission confirmed by the recipient, or upon delivery if delivered by nationally recognized courier, addressed to each holder of record at such holder's address appearing in the records of the Corporation.

6. Preferred Stock Restrictions and Limitations.

(a) No Alteration of Series A Preferred Stock. In addition to any other rights provided by law, and notwithstanding any provisions in these Articles to the contrary, so long as any shares of Series A Preferred Stock that have been issued from time to time remain outstanding, the Corporation, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of the then-outstanding shares of Series A Preferred Stock, will not take any action that may

alter or change the designations, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the Series A Preferred Stock.

(b) No Alteration of Series B Preferred Stock. In addition to any other rights provided by law, and notwithstanding any provisions in these Articles to the contrary, the Corporation, without first obtaining the affirmative vote or written consent of the holders of not less than sixty percent (60%) of the then-outstanding shares of Series B Preferred Stock, will not take any action that may alter or change the designations, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the Series B Preferred Stock.

(c) No Alteration of Series C Preferred Stock. In addition to any other rights provided by law, and notwithstanding any provisions in these Articles to the contrary, the Corporation, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of the then-outstanding shares of Series C Preferred Stock, will not take any action that may alter or change the designations, powers, rights, preferences or privileges, or the qualifications, limitations or restrictions of the Series C Preferred Stock.

(d) Approval Rights of Series B Preferred Stock and Series C Preferred Stock, Voting Together as a Single Class. In addition to any other rights provided by law, and notwithstanding any provisions in these Articles to the contrary, so long as any shares of Series B Preferred Stock or Series C Preferred Stock that have been issued from time to time remain outstanding, the Corporation, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of the then-outstanding shares of Series B Preferred Stock and Series C Preferred Stock, voting together as a single class, will not:

(i) pay or declare any dividend on Common Stock, or apply any of its assets to the redemption, retirement, purchase or acquisition, directly or indirectly, through subsidiaries or otherwise, of any Preferred Stock (except Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock pursuant to Article III, Section C.3 above) or Common Stock (except for repurchases from employees, directors, consultants or other person performing services for the Corporation or any subsidiary pursuant to which the Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment); or

(ii) make guarantees of third-party loans to employees or of obligations of wholly-owned subsidiaries, except for reasonable travel advances or other reasonable business expense advances made in the ordinary course of business; or

(iii) own, or permit any affiliated company to own, any stock or other securities of any affiliated company or other corporation, partnership or entity unless such stock or other securities has a fair market value, as determined in good faith by the Board of Directors, of less than One Hundred Thousand and No/00 Dollars (\$100,000) in the aggregate; or

(iv) incur indebtedness or issue any securities evidencing indebtedness in excess of One Hundred Twenty-Five Thousand and No/00 Dollars (\$125,000).

(e) Additional Approval Rights. In addition to any other rights provided by law, and notwithstanding any provisions in these Articles to the contrary, so long any shares of Series B Preferred Stock or Series C Preferred Stock that have been issued from time to time remain outstanding, the Corporation, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of the then-outstanding shares of Series B Preferred Stock and Series C Preferred Stock, voting together as a single class, and the affirmative vote or written consent of the holders of not less than

sixty percent (60%) of the then-outstanding shares of Series B Preferred Stock, voting as a separate class, will not:

(i) materially change the principal business of the Corporation; or

(ii) authorize any voluntary liquidation, dissolution or winding up of the Corporation or its business; or

(iii) increase or decrease the authorized size of the Corporation's Board of Directors except as set forth in Article III.C.4.

(f) Approval Rights of Holders of Series C Stock. In addition to any other rights provided by law, and notwithstanding any provisions in these Articles to the contrary, so long any shares of Series C Preferred Stock that have been issued from time to time remain outstanding, the Corporation, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of the then-outstanding shares of Series C Preferred Stock, voting together as a single class, will not:

(i) increase the number of shares of Common Stock authorized for issuance under the Corporation's Stock Option Plan to more than One Million Eight Hundred Eighty-Six Thousand (1,886,000) shares; or

(ii) increase or decrease the authorized amount of Common Stock, Preferred Stock, Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock; or

(iii) authorize, issue or become obligated to issue shares of any class or series of stock having any preference, priority, or parity as to dividends, assets or other rights superior to or on a parity with any such preference or priority of the Series A Preferred Stock or the Series B Preferred Stock or the Series C Preferred Stock, including additional shares of Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock, or authorize, issue or become obligated to issue shares of stock of any class or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having option rights to purchase, any shares of stock of the Corporation having any preference, priority or parity as to dividends, assets or other rights superior to or on a parity with any such preference or priority of the Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock; or

(iv) reclassify any class or series of shares into securities having any preference, priority or parity as to dividends, assets or other rights superior to or on parity with any such preference or priority of the Series A Preferred Stock or Series B Preferred Stock or Series C Preferred Stock or incur any obligation to reclassify any such securities;

(v) amend or repeal any provision of, or add any provision to, these Articles or the Corporation's Bylaws; or

(vi) agree to effect any sale, lease, assignment, transfer, or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries, or any consolidation, merger, share exchange or other combination involving the Corporation or any of its subsidiaries, or any reclassification or other change of any stock, or any recapitalization of the Corporation.

(g) The holders of the Series M Preferred Stock shall not have any rights or

preferences with respect to this Article III, Section C.6.

7. **No Reissuance of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series M Preferred Stock.**

No share or shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series M Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

8. **Headings of Subdivisions.**

The headings of the various subsections hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

9. **Severability of Provisions.**

If any right, preference or limitation of any series of Preferred Stock set forth in these Articles (as may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other rights, preferences and limitations set forth in these Articles (as so amended) which can be given effect without the invalid, unlawful or unenforceable right, preference or limitation shall, nevertheless, remain in full force and effect, and no right, preference or limitation herein set forth shall be deemed dependent upon any other such right, preference or limitation unless so expressed herein.

ARTICLE IV

TERM OF EXISTENCE. This Corporation shall have perpetual existence.

ARTICLE V

DIRECTORS. For their services, the Board of Directors shall receive such compensation, if any, as may be declared by the Board of Directors at an annual or special meeting. The directors may authorize and require the payment of the reasonable expenses incurred by directors in attending meetings of the directors. Nothing in this Article V shall be construed to preclude a director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE VI

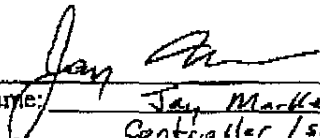
AMENDMENT. These Articles of Incorporation may be amended as provided by law, except as otherwise provided herein, as may be amended from time to time. The foregoing notwithstanding, the Board of Directors shall be entitled to amend any provision of these Articles solely with respect to the rights and obligations of the Series M Preferred Stock without the approval or consent of any holder of the Corporation's capital stock, provided such amendment does not adversely affect the rights or obligations of any other class or series of the Corporation's capital stock.

ARTICLE VII

INDEMNIFICATION. The Corporation shall indemnify each director, officer or agent of the Corporation to the fullest extent permitted or authorized by current or future legislation or by current or future judicial or administrative decision (provided, in the case of any future legislation or decision, only

to the extent that it permits the Corporation broader indemnification rights than permitted prior to the legislation or decision), against all fines, liabilities, costs and expenses incurred by him in his capacity as a director, officer, agent, employee, or representative, or arising out of his status as a director, officer, agent, employee, or representative. The foregoing right of indemnification shall not be exclusive of other rights to which those seeking indemnification may be entitled. The Corporation may maintain insurance, at its own expense, to protect itself and all officers and directors against fines, liabilities, costs and expenses, whether or not the Corporation would have the legal power to indemnify them directly against such liability.

IN WITNESS WHEREOF, this Third Amended and Restated Articles of Incorporation has been signed by an authorized officer of the Corporation this 10th day of November, 2005.

By: Printed Name: Jay MarkleTitle: Controller / Secretary