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DIVISION OF CORPORATIONS

BASIC AMENDMENT

INTERFUSE TECHNOLOGY CORPORATION

Certificate of Status	0
Certified Copy	1
Page Count	21
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Amend Rest

Q. Condition

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AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
INTERFUSE TECHNOLOGY CORPORATION

Pursuant to the provisions of Section 607.1003 and 607.1007 of the Florida Business Corporation Act, Interfuse Technology Corporation, a Florida Corporation (the "Corporation"), certifies that:

These Amended and Restated Articles of Incorporation contain amendments requiring the approval of the holders of shares of the common stock and preferred stock of the Corporation, and the shareholders of the Corporation approved such amendments by means of a written consent effective as of January 31, 2005. The number of votes cast in favor of the amendments was sufficient for approval by the holders of the common stock and the preferred stock of the Corporation. These Amended and Restated Articles of Incorporation were duly adopted, and proposed and recommended for action by the shareholders, by the Board of Directors by unanimous written consent effective as of January 31, 2005.

The text of the Articles of Incorporation, as amended, of the Corporation is hereby amended and restated in its entirety, effective as of the date of filing of these Amended and Restated Articles of Incorporation with the Florida Department of State, to read as follows:

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF

INTERFUSE TECHNOLOGY CORPORATION

ARTICLE I

NAME

The name of the Corporation is Interfuse Technology Corporation.

ARTICLE II

PRINCIPAL OFFICE

The mailing address of the principal office of this Corporation is 3701 F.A.U. Boulevard, Suite 210, Boca Raton, FL 33431.

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ARTICLE III

PURPOSE

The Corporation is organized for the purpose of transacting any and all lawful business.

ARTICLE IV

CAPITAL STOCK

A. Authorized Shares. The aggregate number, class and par value of shares which the Corporation is authorized to issue is Fifteen Million (15,000,000) shares, consisting of:

(1) Nine Million (9,000,000) shares of common stock with a par value of \$0.01 per share (the "Common Stock"); and

(2) Six Million (6,000,000) shares of preferred stock with a par value of \$0.01 per share (the "Preferred Stock").

Except as otherwise required by law or the Bylaws of the Corporation, each outstanding share of Common Stock shall be entitled to one vote for each matter submitted to a vote of shareholders, with no cumulative voting rights. Each share of Common Stock shall have equal rights on dissolution, corporate distribution and for all other corporate purposes.

B. Authority of Board. The preferences and relative, participating or other rights of the Preferred Stock, and the qualifications, limitations or restrictions thereof are as follows:

(1) The Preferred Stock may be issued from time to time in one or more classes or series, the shares of each class or series to have such designations and powers, preferences and rights, qualifications, limitations and restrictions thereof as are stated and expressed herein and in the resolution or resolutions providing for the issue of such class or series adopted by the Board of Directors as hereinafter prescribed.

(2) Authority is hereby expressly granted to and vested in the Board of Directors to authorize the issuance of the Preferred Stock from time to time in one or more classes or series, to determine and take necessary proceedings fully to effect the issuance and redemption of any such Preferred Stock, and, with respect to each class or series of the Preferred Stock, to fix and state by the resolution or resolutions from time to time adopted providing for the issuance thereof the following:

(a) whether or not the class or series is to have voting rights, full or limited, or is to be without voting rights;

(b) the preferences and relative, participating, optional or other special

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rights, if any, with respect to any class or series;

(c) whether or not the shares of any class or series shall be redeemable and if redeemable the redemption price or prices, and the time or times at which and the terms and conditions upon which, such shares shall be redeemable and the manner of redemption;

(d) whether or not the shares of a class or series shall be subject to the operation of retirement or sinking funds to be applied to the purchase or redemption of such shares for retirement, and if such retirement or sinking fund or funds be established, the annual amount thereof and the terms and provisions relative to the operation thereof;

(e) the dividend rate, whether dividends are payable in cash, stock of the Corporation, or other property, the conditions upon which and the times when such dividends are payable, the preference to or the relation to the payment of the dividends payable on any other class or classes or series of stock, whether or not such dividend shall be cumulative or non-cumulative, and if cumulative, the date or dates from which such dividends shall accumulate;

(f) whether or not the shares of any class or series shall be convertible into, or exchangeable for, the shares of any other class or classes or of any other series of the same of any other class or classes of stock of the Corporation and the conversion price or prices or ratio or ratios or the rate or rates at which such conversion or exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided for in such resolution or resolutions; and

(g) such other special rights and protective provisions with respect to any class or series as the Board of Directors may deem advisable.

The shares of each class or series of the Preferred Stock may vary from the shares of any other series thereof in any or all of the foregoing respects. The Board of Directors may increase the number of shares of the Preferred Stock designated for any existing class or series by a resolution adding to such class or series authorized and unissued shares of the Preferred Stock not designated for any other class or series. The Board of Directors may decrease the number of shares of the Preferred Stock not designated for any other class or series. The Board of Directors may decrease the number of shares of the Preferred Stock designated for any existing class or series by a resolution, subtracting from such series unissued shares of Preferred Stock designated for such class or series, and the shares so subtracted shall become authorized, unissued and undesignated shares of Preferred Stock.

C. Series A Preferred Stock.

(1) Designation and Amount. There is hereby established a series of Preferred Stock designated as Series A Convertible Preferred Stock, par value \$.01 per share (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be Two Hundred Fifty Thousand (250,000).

(2) Rank. All Series A Preferred Stock shall rank senior to the

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Corporation's Common Stock and on a parity with the Corporation's Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock both as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(3) **Voting Rights of Series A Preferred Stock.** The holders of the Series A Preferred Stock shall be entitled to attend all special and annual meetings of the shareholders of the Corporation and, together with the holders of all other classes of stock entitled to attend and vote at such meetings, to vote as a single class with the holders of Common Stock upon any matter properly considered and acted upon by the shareholders of the Corporation. Holders of the Series A Preferred Stock are entitled to one vote per share.

(4) **Liquidity Event.** Upon any Liquidity Event (hereinafter defined), whether voluntary or involuntary, the holders of shares of Series A Preferred Stock shall be entitled to receive, on a parity with the Corporation's Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, out of the assets of the Corporation legally available for distribution to shareholders before any payment or distribution is made on the Common Stock, cash in the amount of the Liquidation Preference (hereinafter defined). If the assets distributable upon a Liquidity Event are insufficient to pay cash in an amount equal to the Liquidation Preference to the holders of shares of Series A Preferred Stock, on a parity with the Corporation's Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock then such assets or the proceeds thereof will be distributed among the holders of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock ratably in proportion to the respective amounts of the Liquidation Preference to which they would otherwise be entitled. Ten (10) business days prior to the closing of any Liquidity Event, the Corporation shall deliver a written notice to the holders of Series A Preferred Stock specifying the date and type of pending Liquidity Event and such additional information as the regarding the pricing and the parties to such Liquidity Event as the Corporation, in its sole discretion, shall determine.

(5) **Conversion.**

(a) **Conversion at the Option of the Holder.** At any time prior to the closing of a Liquidity Event (the "Conversion Period"), any holder of Series A Preferred Stock may convert all, but not part, of the shares of Series A Preferred Stock held by such holder into an equal number of shares of Common Stock, subject to the provisions of paragraph 5(d) below and subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series A Preferred Stock. Each conversion of Series A Preferred Stock pursuant to this paragraph 5(a) shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the shares of Series A Preferred Stock to be converted have been surrendered at the principal office of the Corporation, together with written notice of the holder's desire to convert such shares of Series A Preferred Stock.

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(b) **Mandatory Conversion.** The Series A Preferred Stock shall be automatically converted into Common Stock upon (each of the following as hereinafter defined) (i) a Sale of Assets; (ii) a Change in Control; or (iii) upon the closing of a Public Offering of Common Stock by the Corporation. Any such mandatory conversion shall only be effected upon written notice of such mandatory conversion delivered to all holders of Series A Preferred Stock. Each holder of Series A Preferred Stock being so converted shall deliver the certificate or certificates representing such Series A Preferred Stock to the Corporation no later than the date of such mandatory conversion event.

(c) **Conversion Procedure.**

(i) At such time as such conversion has been effected, the rights of the holder of such shares of Series A Preferred Stock as such holder shall cease, and such person, in whose name a certificate for shares of Common Stock are to be issued upon such conversion, shall be deemed to have become the holder of record of the shares of Common Stock represented thereby, which Common Stock shall be deemed to have been issued as of such time.

(ii) As promptly as practicable thereafter, the Corporation or its successor, as applicable, shall issue and deliver to the converting holder a certificate or certificates representing the number of shares of Common Stock to which such holder is entitled.

(iii) The issuance of certificates for shares of Common Stock or other securities, as applicable, upon conversion of Series A Preferred Stock shall be made without charge to the holders of such Series A Preferred Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock.

(iv) 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 issuance upon the conversion of the Series A Preferred Stock, not less than the number of shares of Common Stock issuable upon the conversion of all outstanding Series A Preferred Stock which may then be exercised. All shares of Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary and practicable to provide that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation.

(d) **Subdivision or Combination of Common Stock.** If the Corporation at any time subdivides (by any stock split, stock dividend, re-capitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares or if the Corporation at any time combines (by reverse stock split or otherwise) the outstanding shares of Common Stock into a smaller number of shares, the number of shares of Common Stock issuable upon conversion of any shares of Series A Preferred Stock shall be appropriately and proportionately increased or decreased, as the case may be.

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(6) **Definitions.** For the purposes of this Article IV, Section C, of the Articles of Incorporation, certain terms shall be defined as follows:

(a) "Change in Control" of the Corporation shall mean any of the following: (i) a "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of voting shares of the Corporation entitled to exercise more than 50% of the voting power of all outstanding voting shares of the Corporation (calculated in accordance with Rule 13d-3 under the Exchange Act), other than an employee benefit plan of the Corporation; or (ii) the consummation of any merger, consolidation or similar transaction involving the Corporation that results in the beneficial owners of voting shares of the Corporation immediately prior to such consummation owning in the aggregate, directly or indirectly, voting securities representing less than 50% of the voting securities of the surviving entity outstanding immediately following such consummation.

(b) "Liquidation" means a liquidation, dissolution or winding up of the Corporation; provided, however, that neither the consolidation or merger of the Corporation into or with any other entity or entities, nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of capital stock of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation.

(c) "Liquidity Event" means (i) a sale or transfer of all or substantially all of the assets of the Corporation in any transaction or series of related transactions (a "Sale of Assets"); (ii) a Change in Control; or (iii) a Liquidation.

(d) "Liquidation Preference" of any Series A Preferred Stock shall be equal to \$0.675 per share, subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series A Preferred Stock.

(e) "Public Offering" means any underwritten public offering of the Common Stock of the Corporation by one or more investment banks which is sold pursuant to a registration statement filed by the Corporation pursuant to the Securities Act of 1933, as amended, for a total offering amount of not less than U.S. \$25 million (before deductions of underwriters commissions and expenses), and for a purchase price per share of not less than 1.5 times the Liquidation Preference of the Series A Preferred Stock.

D. Series B Preferred Stock.

(1) **Designation and Amount.** There is hereby established a series of Preferred Stock designated as Series B Convertible Preferred Stock, par value \$.01 per share (the "Series B Preferred Stock") and the number of shares constituting the Series B Preferred Stock shall be Six Hundred Fifty Thousand (650,000).

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(2) Rank. All Series B Preferred Stock shall rank senior to the Corporation's Common Stock and on a parity with the Corporation's Series A Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock both as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(3) Voting Rights of Series B Preferred Stock. The holders of the Series B Preferred Stock shall be entitled to attend all special and annual meetings of the shareholders of the Corporation and, together with the holders of all other classes of stock entitled to attend and vote at such meetings, to vote as a single class with the holders of Common Stock upon any matter properly considered and acted upon by the shareholders of the Corporation. Holders of the Series B Preferred Stock are entitled to one vote per share.

(4) Liquidity Event. Upon any Liquidity Event (hereinafter defined), whether voluntary or involuntary, the holders of shares of Series B Preferred Stock are entitled to receive, on a parity with the Corporation's Series A Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, out of the assets of the Corporation legally available for distribution to shareholders before any payment or distribution is made on the Common Stock, cash in the amount of the Liquidation Preference (hereinafter defined). If the assets distributable upon a Liquidity Event are insufficient to pay cash in an amount equal to the Liquidation Preference to the holders of shares of Series B Preferred Stock, on a parity with the Corporation's Series A Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, then such assets or the proceeds thereof will be distributed among the holders of the Series B Preferred Stock, Series A Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, ratably in proportion to the respective amounts of the Liquidation Preference to which they would otherwise be entitled. Ten (10) business days prior to the closing of any Liquidity Event, the Corporation shall deliver a written notice to the holders of Series B Preferred Stock specifying the date and type of pending Liquidity Event and such additional information as the regarding the pricing and the parties to such Liquidity Event as the Corporation, in its sole discretion, shall determine.

(5) Conversion.

(a) Conversion at the Option of the Holder. At any time prior to the closing of a Liquidity Event (the "Conversion Period"), any holder of Series B Preferred Stock may convert all, but not part, of the shares of Series B Preferred Stock held by such holder into an equal number of shares of Common Stock, subject to the provisions of paragraph 5(d) below and subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series B Preferred Stock. Each conversion of Series B Preferred Stock pursuant to this paragraph 5(a) shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the shares of Series B Preferred Stock to be converted have been surrendered at the principal office of the Corporation, together with written notice of the holder's desire to convert such shares of Series B Preferred Stock.

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(b) **Mandatory Conversion.** The Series B Preferred Stock shall be automatically converted into Common Stock upon (each of the following as hereinafter defined) (i) a Sale of Assets; (ii) a Change in Control; or (iii) upon the closing of a Public Offering of Common Stock by the Corporation. Any such mandatory conversion shall only be effected upon written notice of such mandatory conversion delivered to all holders of Series B Preferred Stock. Each holder of Series B Preferred Stock being so converted shall deliver the certificate or certificates representing such Series B Preferred Stock to the Corporation no later than the date of such mandatory conversion event.

(c) **Conversion Procedure.**

(i) At such time as such conversion has been effected, the rights of the holder of such shares of Series B Preferred Stock as such holder shall cease, and such person, in whose name a certificate for shares of Common Stock are to be issued upon such conversion, shall be deemed to have become the holder of record of the shares of Common Stock represented thereby, which Common Stock shall be deemed to have been issued as of such time.

(ii) As promptly as practicable thereafter, the Corporation or its successor, as applicable, shall issue and deliver to the converting holder a certificate or certificates representing the number of shares of Common Stock to which such holder is entitled.

(iii) The issuance of certificates for shares of Common Stock or other securities, as applicable, upon conversion of Series B Preferred Stock shall be made without charge to the holders of such Series B Preferred Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock.

(iv) 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 issuance upon the conversion of the Series B Preferred Stock, not less than the number of shares of Common Stock issuable upon the conversion of all outstanding Series B Preferred Stock which may then be exercised. All shares of Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary and practicable to provide that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation.

(d) **Subdivision or Combination of Common Stock.** If the Corporation at any time subdivides (by any stock split, stock dividend, re-capitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares or if the Corporation at any time combines (by reverse stock split or otherwise) the outstanding shares of Common Stock into a smaller number of shares, the number of shares of Common Stock issuable upon conversion of any shares of Series B Preferred Stock shall be appropriately and

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proportionately increased or decreased, as the case may be.

(6) **Definitions.** For the purposes of this Article IV, Section D, of the Articles of Incorporation, certain terms shall be defined as follows:

(a) "Change in Control" of the Corporation shall mean any of the following: (i) a "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of voting shares of the Corporation entitled to exercise more than 50% of the voting power of all outstanding voting shares of the Corporation (calculated in accordance with Rule 13d-3 under the Exchange Act), other than an employee benefit plan of the Corporation; or (ii) the consummation of any merger, consolidation or similar transaction involving the Corporation that results in the beneficial owners of voting shares of the Corporation immediately prior to such consummation owning in the aggregate, directly or indirectly, voting securities representing less than 50% of the voting securities of the surviving entity outstanding immediately following such consummation.

(b) "Liquidation" means a liquidation, dissolution or winding up of the Corporation; provided, however, that neither the consolidation or merger of the Corporation into or with any other entity or entities, nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of capital stock of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation.

(c) "Liquidity Event" means (i) a sale or transfer of all or substantially all of the assets of the Corporation in any transaction or series of related transactions (a "Sale of Assets"); (ii) a Change in Control; or (iii) a Liquidation.

(d) "Liquidation Preference" of any Series B Preferred Stock shall be equal to \$1.40 per share, subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series B Preferred Stock.

(e) "Public Offering" means any underwritten public offering of the Common Stock of the Corporation by one or more investment banks which is sold pursuant to a registration statement filed by the Corporation pursuant to the Securities Act of 1933, as amended, for a total offering amount of not less than U.S. \$25 million (before deductions of underwriters commissions and expenses), and for a purchase price per share of not less than 1.5 times the Liquidation Preference of the Series A Preferred Stock.

E. Series C Preferred Stock.

(1) **Designation and Amount.** There is hereby established a series of Preferred Stock designated as Series C Convertible Preferred Stock, par value \$.01 per share (the "Series C Preferred Stock") and the number of shares constituting the Series C Preferred Stock shall be Seven Hundred Thousand (700,000).

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(2) **Rank.** All Series C Preferred Stock shall rank senior to the Corporation's Common Stock and on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, both as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(3) **Voting Rights of Series C Preferred Stock.** The holders of the Series C Preferred Stock shall be entitled to attend all special and annual meetings of the shareholders of the Corporation and, together with the holders of all other classes of stock entitled to attend and vote at such meetings, to vote as a single class with the holders of Common Stock upon any matter properly considered and acted upon by the shareholders of the Corporation. Holders of the Series C Preferred Stock are entitled to one vote per share.

(4) **Liquidity Event.** Upon any Liquidity Event (hereinafter defined), whether voluntary or involuntary, the holders of shares of Series C Preferred Stock are entitled to receive, on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, out of the assets of the Corporation legally available for distribution to shareholders before any payment or distribution is made on the Common Stock, cash in the amount of the Liquidation Preference (hereinafter defined). If the assets distributable upon a Liquidity Event are insufficient to pay cash in an amount equal to the Liquidation Preference to the holders of shares of Series C Preferred Stock, on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, then such assets or the proceeds thereof will be distributed among the holders of the Series C Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock ratably in proportion to the respective amounts of the Liquidation Preference to which they would otherwise be entitled. Ten (10) business days prior to the closing of any Liquidity Event, the Corporation shall deliver a written notice to the holders of Series C Preferred Stock specifying the date and type of pending Liquidity Event and such additional information as the regarding the pricing and the parties to such Liquidity Event as the Corporation, in its sole discretion, shall determine.

(5) **Conversion.**

(a) **Conversion at the Option of the Holder.** At any time prior to the closing of a Liquidity Event (the "Conversion Period"), any holder of Series C Preferred Stock may convert all, but not part, of the shares of Series C Preferred Stock held by such holder into an equal number of shares of Common Stock, subject to the provisions of paragraph 5(d) below and subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series C Preferred Stock. Each conversion of Series C Preferred Stock pursuant to this paragraph 5(a) shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the shares of Series C Preferred Stock to be converted have been surrendered at the principal office of the Corporation, together with written notice of the holder's desire to convert such shares of Series C Preferred Stock.

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(b) **Mandatory Conversion.** The Series C Preferred Stock shall be automatically converted into Common Stock upon (each of the following as hereinafter defined) (i) a Sale of Assets; (ii) a Change in Control; or (iii) upon the closing of a Public Offering. Any such mandatory conversion shall only be effected upon written notice of such mandatory conversion delivered to all holders of Series C Preferred Stock. Each holder of Series C Preferred Stock being so converted shall deliver the certificate or certificates representing such Series C Preferred Stock to the Corporation no later than the date of such mandatory conversion event.

(c) **Conversion Procedure.**

(i) At such time as such conversion has been effected, the rights of the holder of such shares of Series C Preferred Stock as such holder shall cease, and such person, in whose name a certificate for shares of Common Stock are to be issued upon such conversion, shall be deemed to have become the holder of record of the shares of Common Stock represented thereby, which Common Stock shall be deemed to have been issued as of such time.

(ii) As promptly as practicable thereafter, the Corporation or its successor, as applicable, shall issue and deliver to the converting holder a certificate or certificates representing the number of shares of Common Stock to which such holder is entitled.

(iii) The issuance of certificates for shares of Common Stock or other securities, as applicable, upon conversion of Series C Preferred Stock shall be made without charge to the holders of such Series C Preferred Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock.

(iv) 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 issuance upon the conversion of the Series C Preferred Stock, not less than the number of shares of Common Stock issuable upon the conversion of all outstanding Series C Preferred Stock which may then be exercised. All shares of Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary and practicable to provide that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation.

(d) **Subdivision or Combination of Common Stock.** If the Corporation at any time subdivides (by any stock split, stock dividend, re-capitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares or if the Corporation at any time combines (by reverse stock split or otherwise) the outstanding shares of Common Stock into a smaller number of shares, the number of shares of Common Stock issuable upon conversion of any shares of Series C Preferred Stock shall be appropriately and

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proportionately increased or decreased, as the case may be.

(6) **Definitions.** For the purposes of this Article IV, Section E, of the Articles of Incorporation, certain terms shall be defined as follows:

(a) "Change in Control" of the Corporation shall mean any of the following: (i) a "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of voting shares of the Corporation entitled to exercise more than 50% of the voting power of all outstanding voting shares of the Corporation (calculated in accordance with Rule 13d-3 under the Exchange Act), other than an employee benefit plan of the Corporation; or (ii) the consummation of any merger, consolidation or similar transaction involving the Corporation that results in the beneficial owners of voting shares of the Corporation immediately prior to such consummation owning in the aggregate, directly or indirectly, voting securities representing less than 50% of the voting securities of the surviving entity outstanding immediately following such consummation.

(b) "Liquidation" means a liquidation, dissolution or winding up of the Corporation; provided, however, that neither the consolidation or merger of the Corporation into or with any other entity or entities, nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of capital stock of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation.

(c) "Liquidity Event" means (i) a sale or transfer of all or substantially all of the assets of the Corporation in any transaction or series of related transactions (a "Sale of Assets"); (ii) a Change in Control; or (iii) a Liquidation.

(d) "Liquidation Preference" of any Series C Preferred Stock shall be equal to \$1.40 per share, subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series C Preferred Stock.

(e) "Public Offering" means any underwritten public offering of the Common Stock of the Corporation by one or more investment banks which is sold pursuant to a registration statement filed by the Corporation pursuant to the Securities Act of 1933, as amended, for a total offering amount of not less than U.S. \$25 million (before deductions of underwriters commissions and expenses), and for a purchase price per share of not less than 1.5 times the Liquidation Preference of the Series A Preferred Stock.

F. **Series D Preferred Stock.**

(1) **Designation and Amount.** There is hereby established a series of Preferred Stock designated as Series D Convertible Preferred Stock, par value \$.01 per share (the "Series D Preferred Stock") and the number of shares constituting the Series D Preferred Stock shall be Seven Hundred Thousand (700,000).

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(2) **Rank.** All Series D Preferred Stock shall rank senior to the Corporation's Common Stock and on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series E Preferred Stock, both as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(3) **Voting Rights of Series D Preferred Stock.** The holders of the Series D Preferred Stock shall be entitled to attend all special and annual meetings of the shareholders of the Corporation and, together with the holders of all other classes of stock entitled to attend and vote at such meetings, to vote as a single class with the holders of Common Stock upon any matter properly considered and acted upon by the shareholders of the Corporation. Holders of the Series D Preferred Stock are entitled to one vote per share.

(4) **Liquidity Event.** Upon any Liquidity Event (hereinafter defined), whether voluntary or involuntary, the holders of shares of Series D Preferred Stock are entitled to receive, on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series E Preferred Stock, out of the assets of the Corporation legally available for distribution to shareholders before any payment or distribution is made on the Common Stock, cash in the amount of the Liquidation Preference (hereinafter defined). If the assets distributable upon a Liquidity Event are insufficient to pay cash in an amount equal to the Liquidation Preference to the holders of shares of Series D Preferred Stock, on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series E Preferred Stock, then such assets or the proceeds thereof will be distributed among the holders of the Series D Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series E Preferred Stock ratably in proportion to the respective amounts of the Liquidation Preference to which they would otherwise be entitled. Ten (10) business days prior to the closing of any Liquidity Event, the Corporation shall deliver a written notice to the holders of Series D Preferred Stock specifying the date and type of pending Liquidity Event and such additional information as the regarding the pricing and the parties to such Liquidity Event as the Corporation, in its sole discretion, shall determine.

(5) **Conversion.**

(a) **Conversion at the Option of the Holder.** At any time prior to the closing of a Liquidity Event (the "Conversion Period"), any holder of Series D Preferred Stock may convert all, but not part, of the shares of Series D Preferred Stock held by such holder into an equal number of shares of Common Stock, subject to the provisions of paragraph 5(d) below and subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series D Preferred Stock. Each conversion of Series D Preferred Stock pursuant to this paragraph 5(a) shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the shares of Series D Preferred Stock to be converted have been surrendered at the principal office of the Corporation, together with written notice of the holder's desire to convert such shares of Series D Preferred Stock.

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(b) **Mandatory Conversion.** The Series D Preferred Stock shall be automatically converted into Common Stock upon (each of the following as hereinafter defined) (i) a Sale of Assets; (ii) a Change in Control; or (iii) upon the closing of a Public Offering. Any such mandatory conversion shall only be effected upon written notice of such mandatory conversion delivered to all holders of Series D Preferred Stock. Each holder of Series D Preferred Stock being so converted shall deliver the certificate or certificates representing such Series D Preferred Stock to the Corporation no later than the date of such mandatory conversion event.

(c) **Conversion Procedure.**

(i) At such time as such conversion has been effected, the rights of the holder of such shares of Series D Preferred Stock as such holder shall cease, and such person, in whose name a certificate for shares of Common Stock are to be issued upon such conversion, shall be deemed to have become the holder of record of the shares of Common Stock represented thereby, which Common Stock shall be deemed to have been issued as of such time.

(ii) As promptly as practicable thereafter, the Corporation or its successor, as applicable, shall issue and deliver to the converting holder a certificate or certificates representing the number of shares of Common Stock to which such holder is entitled.

(iii) The issuance of certificates for shares of Common Stock or other securities, as applicable, upon conversion of Series D Preferred Stock shall be made without charge to the holders of such Series D Preferred Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock.

(iv) 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 issuance upon the conversion of the Series D Preferred Stock, not less than the number of shares of Common Stock issuable upon the conversion of all outstanding Series D Preferred Stock which may then be exercised. All shares of Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary and practicable to provide that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation.

(d) **Subdivision or Combination of Common Stock.** If the Corporation at any time subdivides (by any stock split, stock dividend, re-capitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares or if the Corporation at any time combines (by reverse stock split or otherwise) the outstanding shares of Common Stock into a smaller number of shares, the number of shares of Common Stock issuable upon conversion of any shares of Series D Preferred Stock shall be appropriately and proportionately increased or decreased, as the case may be.

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(6) **Definitions.** For the purposes of this Article IV, Section F, of the Articles of Incorporation, certain terms shall be defined as follows:

(a) "Change in Control" of the Corporation shall mean any of the following: (i) a "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of voting shares of the Corporation entitled to exercise more than 50% of the voting power of all outstanding voting shares of the Corporation (calculated in accordance with Rule 13d-3 under the Exchange Act), other than an employee benefit plan of the Corporation; or (ii) the consummation of any merger, consolidation or similar transaction involving the Corporation that results in the beneficial owners of voting shares of the Corporation immediately prior to such consummation owning in the aggregate, directly or indirectly, voting securities representing less than 50% of the voting securities of the surviving entity outstanding immediately following such consummation.

(b) "Liquidation" means a liquidation, dissolution or winding up of the Corporation; provided, however, that neither the consolidation or merger of the Corporation into or with any other entity or entities, nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of capital stock of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation.

(c) "Liquidity Event" means (i) a sale or transfer of all or substantially all of the assets of the Corporation in any transaction or series of related transactions (a "Sale of Assets"); (ii) a Change in Control; or (iii) a Liquidation.

(d) "Liquidation Preference" of any Series D Preferred Stock shall be equal to \$1.40 per share, subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series D Preferred Stock.

(e) "Public Offering" means any underwritten public offering of the Common Stock of the Corporation by one or more investment banks which is sold pursuant to a registration statement filed by the Corporation pursuant to the Securities Act of 1933, as amended, for a total offering amount of not less than U.S. \$25 million (before deductions of underwriters commissions and expenses), and for a purchase price per share of not less than 1.5 times the Liquidation Preference of the Series A Preferred Stock.

G. **Series E Preferred Stock**

(1) **Designation and Amount.** There is hereby established a series of Preferred Stock designated as Series E Convertible Preferred Stock, par value \$.01 per share (the "Series E Preferred Stock") and the number of shares constituting the Series E Preferred Stock shall be One Million One Hundred Thousand (1,100,000).

(2) **Rank.** All Series E Preferred Stock shall rank senior to the

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Corporation's Common Stock and on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, both as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

(3) Voting Rights of Series E Preferred Stock. The holders of the Series E Preferred Stock shall be entitled to attend all special and annual meetings of the shareholders of the Corporation and, together with the holders of all other classes of stock entitled to attend and vote at such meetings, to vote as a single class with the holders of Common Stock upon any matter properly considered and acted upon by the shareholders of the Corporation. Holders of the Series E Preferred Stock are entitled to one vote per share.

(4) Liquidity Event. Upon any Liquidity Event (hereinafter defined), whether voluntary or involuntary, the holders of shares of Series E Preferred Stock are entitled to receive, on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, out of the assets of the Corporation legally available for distribution to shareholders before any payment or distribution is made on the Common Stock, cash in the amount of the Liquidation Preference (hereinafter defined). If the assets distributable upon a Liquidity Event are insufficient to pay cash in an amount equal to the Liquidation Preference to the holders of shares of Series E Preferred Stock, on a parity with the Corporation's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, then such assets or the proceeds thereof will be distributed among the holders of the Series E Preferred Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock ratably in proportion to the respective amounts of the Liquidation Preference to which they would otherwise be entitled. Ten (10) business days prior to the closing of any Liquidity Event, the Corporation shall deliver a written notice to the holders of Series E Preferred Stock specifying the date and type of pending Liquidity Event and such additional information as the regarding the pricing and the parties to such Liquidity Event as the Corporation, in its sole discretion, shall determine.

(5) Conversion.

(a) Conversion at the Option of the Holder. At any time prior to the closing of a Liquidity Event (the "Conversion Period"), any holder of Series E Preferred Stock may convert all, but not part, of the shares of Series E Preferred Stock held by such holder into an equal number of shares of Common Stock, subject to the provisions of paragraph 5(d) below and subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series E Preferred Stock. Each conversion of Series E Preferred Stock pursuant to this paragraph 5(a) shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the shares of Series E Preferred Stock to be converted have been surrendered at the principal office of the Corporation, together with written notice of the holder's desire to convert such shares of Series E Preferred Stock.

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(b) **Mandatory Conversion.**

(i) Upon the consummation of an offering and sale by the Corporation of equity securities ("Offering Securities") with gross proceeds of an additional equity financing for no less than \$3,500,000 and no more than \$8,500,000 (the "Qualified Offering") which when added to the proceeds of the Series E Offering totals no less than \$5,000,000, then all outstanding shares of Series E Preferred Stock (which shall be valued at their Liquidation Preference), shall be automatically converted into Offering Securities at a price equal to 70% of the price of the Offering Securities in the Qualified Offering.

(ii) The Series E Preferred Stock shall be automatically converted into Common Stock upon (each of the following as hereinafter defined, if any of such events occurs prior to the completion of a Qualified Offering) (i) a Sale of Assets; (ii) a Change in Control; or (iii) upon the closing of a Public Offering.

(iii) Any such mandatory conversion pursuant to (i) or (ii) above, shall only be effected upon written notice of such mandatory conversion delivered to all holders of Series E Preferred Stock. Each holder of Series E Preferred Stock being so converted shall deliver the certificate or certificates representing such Series E Preferred Stock to the Corporation no later than the date of such mandatory conversion event.

(c) **Conversion Procedure.**

(i) At such time as such conversion has been effected, the rights of the holder of such shares of Series E Preferred Stock as such holder shall cease, and such person, in whose name a certificate for shares of Common Stock or Offering Securities are to be issued upon such conversion, shall be deemed to have become the holder of record of the shares of Common Stock or Offering Securities represented thereby, which Common Stock or Offering Securities shall be deemed to have been issued as of such time.

(ii) As promptly as practicable thereafter, the Corporation or its successor, as applicable, shall issue and deliver to the converting holder a certificate or certificates representing the number of shares of Common Stock or Offering Securities to which such holder is entitled.

(iii) The issuance of certificates for shares of Common Stock, Offering Securities or other securities, as applicable, upon conversion of Series E Preferred Stock shall be made without charge to the holders of such Series E Preferred Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock or Offering Securities.

(iv) 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 issuance upon the conversion of the Series E Preferred Stock, not less than the number of shares of Common Stock issuable upon the conversion of all outstanding Series E Preferred

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Stock which may then be exercised. All shares of Common Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary and practicable to provide that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation.

(d) **Subdivision or Combination of Common Stock.** If the Corporation at any time subdivides (by any stock split, stock dividend, re-capitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares or if the Corporation at any time combines (by reverse stock split or otherwise) the outstanding shares of Common Stock into a smaller number of shares, the number of shares of Common Stock issuable upon conversion of any shares of Series E Preferred Stock shall be appropriately and proportionately increased or decreased, as the case may be.

(6) **Definitions.** For the purposes of this Article IV, Section G, of the Articles of Incorporation, certain terms shall be defined as follows:

(a) "Change in Control" of the Corporation shall mean any of the following: (i) a "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of voting shares of the Corporation entitled to exercise more than 50% of the voting power of all outstanding voting shares of the Corporation (calculated in accordance with Rule 13d-3 under the Exchange Act), other than an employee benefit plan of the Corporation; or (ii) the consummation of any merger, consolidation or similar transaction involving the Corporation that results in the beneficial owners of voting shares of the Corporation immediately prior to such consummation owning in the aggregate, directly or indirectly, voting securities representing less than 50% of the voting securities of the surviving entity outstanding immediately following such consummation.

(b) "Liquidation" means a liquidation, dissolution or winding up of the Corporation; provided, however, that neither the consolidation or merger of the Corporation into or with any other entity or entities, nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of capital stock of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation.

(c) "Liquidity Event" means (i) a sale or transfer of all or substantially all of the assets of the Corporation in any transaction or series of related transactions (a "Sale of Assets"); (ii) a Change in Control; or (iii) a Liquidation.

(d) "Liquidation Preference" of any Series E Preferred Stock shall be equal to \$1.90 per share, subject to appropriate and proportionate adjustment to reflect any stock split, combination of shares or similar event in respect of the Series E Preferred Stock.

(e) "Public Offering" means any underwritten public offering

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of the Common Stock of the Corporation by one or more investment banks which is sold pursuant to a registration statement filed by the Corporation pursuant to the Securities Act of 1933, as amended, for a total offering amount of not less than U.S. \$25 million (before deductions of underwriters commissions and expenses), and for a purchase price per share of not less than 1.5 times the Liquidation Preference of the Series A Preferred Stock.

ARTICLE V

REGISTERED AGENT AND STREET ADDRESS

The name and street address of the registered agent is NRAI Services, Inc., 526 E. Park Avenue, Tallahassee, Florida 32301.

ARTICLE VI

BOARD OF DIRECTORS

The Corporation shall have no fewer than one (1) director. The number of directors may be increased or decreased from time to time, as provided in the Bylaws of the Corporation.

ARTICLE VII

INDEMNIFICATION

The Corporation shall indemnify any officer or director, or any former officer or director, to the full extent permitted by law.

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IN WITNESS WHEREOF, the undersigned has executed these Amended and Restated Articles of Incorporation as of the 31 day of January 2005.

INTERFUSE TECHNOLOGY CORPORATION

By: 

Name: Phillip A. Viscomi

Title: President and CEO

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