

P02000064495

Quadfore Corporation  
1801 Clint Moore Rd, Ste. 100  
Boca Raton, FL 33487

(561) 998-8884

August 17, 2002

**Via overnight delivery (850) 488-9000**

Florida Department of State  
Division of Corporations  
409 E. Gaines Street  
Tallahassee, FL 32399

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-08/22/02--01074--009  
\*\*\*\*\*43.75 \*\*\*\*\*43.75

Re: Articles of Amendment of Quadfore Corporation (P02000064495)

Dear Sir/Madam:

Enclosed herewith are Articles of Amendment to the Articles of Incorporation of Quadfore Corporation, together with a check in the amount of \$43.75 representing the \$35.00 filing fee and \$8.75 for a certified copy.

Please acknowledge receipt of the foregoing by stamping the enclosed copy of this letter and returning it in the self-addressed stamped enclosed, together with a certified copy of the Amendment.

Should you have any questions, please contact the undersigned at (561) 998-8884.

Very truly yours,

*Cory B. Nass*

Cory B. Nass  
President

Enclosure

FILED  
02 AUG 22 AM 9:16  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

ac 8/27  
Amend

**ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION  
OF QUADFORE CORPORATION, A FLORIDA CORPORATION**

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In accordance with the terms of Section 607.1006 of the Florida Business Corporation Act, **QUADFORE CORPORATION**, a Florida corporation (the "Corporation"), hereby adopts the following amendment to its Articles of Incorporation:

Article Third is hereby amended to read as follows:

**CAPITAL STOCK**

The Corporation shall have the authority to issue a maximum of (a) 20,000,000 shares of Common Stock having a par value of \$0.0001 per share and (b) 3,000,000 shares of Series A Convertible Preferred Stock having no par value with the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions set forth in Exhibit "A" hereto.

The foregoing amendment to the Articles of Incorporation of the Corporation was adopted by means of a Unanimous Written Consent of the Directors and Shareholders of the Corporation dated August 17, 2002, in accordance with the terms of Section 607.1003 of the Florida Business Corporation Act, and consequently, the number of shares cast in favor of the amendment was sufficient for its approval.

Date: August 17, 2002

**QUADFORE CORPORATION**

By: Cory B. Nass  
Name: CORY B. NASS  
Title: President

**FILED**  
02 AUG 22 AM 9:16  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**EXHIBIT "A"**

**STATEMENT OF RIGHTS AND PREFERENCES  
OF COMMON STOCK AND PREFERRED STOCK**

A statement of the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions of the Common Stock and of the Series A Preferred Stock is as follows:

**A. Dividends.**

When and as declared by the Corporation's Board of Directors, the holders of Series A Preferred Stock shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of \$0.02 per share per annum, payable in preference to any payment of any dividend on Common Stock. After payment of such dividends, any additional dividends declared shall be payable entirely to the holders of Common Stock. The right of the holders of Series A Preferred Stock to receive dividends shall not be cumulative, and no right shall accrue to holders of Series A Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

**B. Liquidation.**

1. **Distribution Preference.** Subject to the provisions of applicable law and unless otherwise converted into shares of the Common Stock of the Corporation pursuant to Section C below, in the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary (collectively, a "Liquidating Event"), the holders of Series A Preferred Stock shall have the option to receive out of the assets of the Corporation available for distribution to its shareholders, prior and in preference to any distribution of any of the assets of the Corporation to the holders of the Common Stock and Series of Preferred Stock ranking junior to the Series A Preferred Stock as to distribution of assets in the event of the occurrence of a Liquidating Event by reason of their ownership thereof, an amount equal to \$0.50 per share (as appropriately adjusted in the event of stock splits, stock dividends or similar capital adjustments or recapitalizations) (the "Liquidation Preference") as of the date of such Liquidating Event. Written notice of any such Liquidation Event, stating a payment date, the place where such payment shall be made and the amount of each liquidating payment shall be given by first class mail, postage paid, not less than fifteen (15) days prior to the payment date stated therein, to each holder of record of Series A Preferred Stock at such holder's address as shown on the records of the Corporation. If upon the occurrence of such Liquidating Event, the assets and funds to be thus distributed among the holders of Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full amount due hereunder, then the holders of Series A Preferred Stock shall share ratably in any distribution of assets of the Corporation in proportion to the respective amounts which would otherwise be payable with respect to the shares held by them upon such distribution if all amounts payable on or with respect to the shares were paid in full.

2. **Merger, Reorganization, Sale of Assets.** In the event of any acquisition of the Corporation by means of merger 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 subsidiary (other than a mere reincorporation transaction or one in which the holders of capital stock of the Corporation immediately prior to such merger or consolidation continue to hold at least a majority of the voting power of the surviving corporation) or a sale of all or substantially all the assets of the Corporation, then such merger, consolidation or asset sale shall be deemed to be a liquidation of the Corporation, and all consideration payable to the shareholders of the Corporation (in the case of a merger or consolidation), or all consideration payable to the Corporation together with all other available assets of the Corporation (in the case of an asset sale), shall be distributed to the holders of capital stock of the Corporation in accordance with paragraph B.1. above.

3. **Distribution of Property.** For purposes of this paragraph B., if any assets distributed to shareholders consist of property other than cash, the amount of such distribution shall be deemed to be the fair market value thereof at the time of such distribution, as determined in good faith by the Board of Directors of the Corporation.

C. **Conversion.** The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

1. **Right to Convert.** 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, at the office of the Corporation or any transfer agent for such stock, into one (1) share of Common Stock (the "Conversion Shares"). The number of shares of Common Stock into which the Series A Preferred Stock shall be converted shall be adjusted as hereinafter provided.

2. **Mechanics of Conversion.** Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he 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 he elects to convert the same and shall state therein the name or names in which he 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, a certificate or certificates for the number of shares of Common Stock to which he 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 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.

3. **Adjustments for Stock Dividends and for Combinations or Subdivisions of Common Stock.** In the event that the Corporation at any time or from time to time after the original date of issuance of shares of Series A Preferred Stock ("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 Series A Conversion Shares shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the 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.

4. **Adjustments for Reclassification and Reorganization.** If the Common Stock issuable upon conversion of the Series A 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, the Series A Conversion Shares shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A 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 immediately before that change.

5. **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 a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this paragraph C) as a part of such capital reorganization, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock 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 paragraph C. with respect to the rights of the holders of Series A Preferred Stock after the capital reorganization to the end that the provisions of this paragraph. (including adjustment of the Series A Conversion Shares and the number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

6. **Adjustment to Conversion Price Upon Issuance of Additional Shares of Common Stock.**

a. If the Corporation shall issue any Common Stock other than "Excluded Stock", as defined below, for a consideration per share less than the Conversion Price in effect immediately prior to the issuance of such Common Stock (excluding Stock dividends, subdivisions, split-ups, combinations, dividends or recapitalizations which are covered below), the

Conversion Price in effect immediately after each such issuance shall forthwith (except as provided in this Section be adjusted by multiplying the Conversion Price that is then in effect by the quotient obtained by dividing:

(1) (i) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance or sale, plus (ii) the number of shares of Common Stock which the aggregate consideration received (as defined below) by the Corporation for the total number of shares of Common Stock so issued or deemed to be issued would purchase at the applicable Preferred Stock Conversion Price, by

(2) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issues or sale plus the total number of shares of Common Stock so issued or deemed to be issued.

b. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of: (1) the number of shares of Common Stock actually outstanding, (2) the number of shares of Common Stock into which the then outstanding shares of Preferred Stock could be converted if fully converted, (3) all shares of Common Stock which could be obtained through the exercise of warrants, or options to purchase Common Stock or other securities issued or issuable to officers, directors, consultants or employees of the corporation pursuant to any plan or arrangement approved by the Board of Directors of the Corporation, (4) all securities issuable to lending or leasing institutions and (5) any securities issuable to brokers or "finders".

c. For purposes of this paragraph 6., "Excluded Stock" shall mean:

(1) all shares of Common Stock issued and outstanding on the date this document is filed with the Secretary of State of the State of Florida and all shares issuable upon exercise of options or warrants outstanding on the date this document is filed with the Secretary of State the State of Florida; and

(2) all shares of Series A Preferred Stock and the Common Stock into which the shares of Series A Preferred Stock are convertible; and

(3) all shares of Common Stock, warrants or options to purchase Common Stock or other securities issued to officers, directors, consultants, employees of the corporation pursuant to any stock option or stock purchase plan or arrangement approved by the Board of Directors of the corporation; and

(4) warrants or other securities issued to financial institutions or commercial lenders in connection with equipment financing transactions approved by the Corporation's Board of Directors; and

(5) any shares issued in connection with a merger of the Corporation with another company or acquisition of all or substantially all of the assets of another corporation, limited liability company, partnership or other business entity and

(6) shares issued in connection with a strategic transaction with a technology partner.

d. All calculations under this paragraph 6 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

7. **Certificates as to Adjustments.** Upon the occurrence of each adjustment or readjustment of the Series A Conversion Shares pursuant to this paragraph, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's Chief Executive Officer, President or Chief Financial Officer 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, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments and (ii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

8. **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 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.

9. **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 the Series A 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 the Series A 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 the Series A 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 this Certificate.

10. **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A 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).

11. **No Adjustment.** Upon any voluntary conversion of the Series A Preferred Stock, no adjustment to the conversion rights shall be made for declared and unpaid dividends on such stock surrendered for conversion; provided, however, that this subparagraph C.11. shall not limit the right of the former holders of Series A Preferred Stock so converted to collect such declared and unpaid dividends.

D. **Mandatory Conversion into Common Stock.**

Contemporaneously with the closing of an underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the offer and sale of shares of Common Stock of the Corporation to the public resulting in gross proceeds to the Corporation of not less than \$7,500,000, each share of Series A Convertible Preferred Stock shall automatically be converted without any further action by the holder thereof into the number of shares of Common Stock then applicable to such share in accordance with the adjustment provisions of this Section C. above.

E. **No Impairment.** The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action (other than actions taken in good faith), 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 carrying out all the provisions of paragraph C. hereof and in taking 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 against impairment.

F. **Notices.** Any notice required by the provisions of paragraph C. to be given to the Holders shall be deemed given five (5) days following deposit in the United States mail, postage prepaid, or upon delivery by hand or nationally recognized overnight delivery service and addressed to each Holder of record at such Holder's address or facsimile number appearing in the records of the Corporation.

G. **General.** Except as otherwise expressly provided herein or required by law, the Series A Preferred Stock shall vote together with all other classes and series of stock of the Corporation as a single voting group on all actions to be taken by the shareholders of the Corporation. In such cases that the Series A Preferred Stock does not vote together with all other classes and series of stock of the Corporation as set forth in the foregoing sentence, the Series A Preferred Stock and the Common Stock shall each vote separately as a voting group. Each share of Series A Preferred Stock shall entitle the holder thereof to such number of votes



per share on each such action as shall equal the number of shares of the Common Stock (including fractions of a share) into which each share of Series A Preferred Stock is then convertible. Except as otherwise required by applicable law, the holders of shares of the Common Stock shall be entitled to one vote for each share so held with respect to all matters voted on by the shareholders of the Corporation.

H. **Vote Requirement.** The affirmative consent or vote of the holders holding at least a majority of the aggregate outstanding shares of Series A Preferred Stock (the "Required Holders") shall be required with respect to any action not specifically provided for herein (a) which would alter the powers, preferences and special rights expressly provided herein of the holders of shares of Series A Preferred Stock; (b) which would create, by reclassification or otherwise, any new class or series of any stock of the Corporation having preference equivalent to or senior to the Series A Preferred Stock; or (c) which would increase the authorized number of shares of series A Preferred Stock.

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August 17, 2002

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Re: Articles of Amendment of Quadfore Corporation (P02000064495)

Dear Sir/Madam:

Enclosed herewith are Articles of Amendment to the Articles of Incorporation of Quadfore Corporation, together with a check in the amount of \$43.75 representing the \$35.00 filing fee and \$8.75 for a certified copy.

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Should you have any questions, please contact the undersigned at (561) 998-8884.

Very truly yours,

*Cory B. Nass*  
Cory B. Nass  
President

Enclosure

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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

ac 8/27  
Amended

**ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION  
OF QUADFORE CORPORATION, A FLORIDA CORPORATION**

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In accordance with the terms of Section 607.1006 of the Florida Business Corporation Act, **QUADFORE CORPORATION**, a Florida corporation (the "Corporation"), hereby adopts the following amendment to its Articles of Incorporation:

Article Third is hereby amended to read as follows:

**CAPITAL STOCK**

The Corporation shall have the authority to issue a maximum of (a) 20,000,000 shares of Common Stock having a par value of \$0.0001 per share and (b) 3,000,000 shares of Series A Convertible Preferred Stock having no par value with the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions set forth in Exhibit "A" hereto.

The foregoing amendment to the Articles of Incorporation of the Corporation was adopted by means of a Unanimous Written Consent of the Directors and Shareholders of the Corporation dated August 17, 2002, in accordance with the terms of Section 607.1003 of the Florida Business Corporation Act, and consequently, the number of shares cast in favor of the amendment was sufficient for its approval.

Date: August 17, 2002

**QUADFORE CORPORATION**

By: Cory B. Nass  
Name: CORY B. NASS  
Title: President

**FILED**  
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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**EXHIBIT "A"**

**STATEMENT OF RIGHTS AND PREFERENCES  
OF COMMON STOCK AND PREFERRED STOCK**

A statement of the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions of the Common Stock and of the Series A Preferred Stock is as follows:

**A. Dividends.**

When and as declared by the Corporation's Board of Directors, the holders of Series A Preferred Stock shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of \$0.02 per share per annum, payable in preference to any payment of any dividend on Common Stock. After payment of such dividends, any additional dividends declared shall be payable entirely to the holders of Common Stock. The right of the holders of Series A Preferred Stock to receive dividends shall not be cumulative, and no right shall accrue to holders of Series A Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

**B. Liquidation.**

1. **Distribution Preference.** Subject to the provisions of applicable law and unless otherwise converted into shares of the Common Stock of the Corporation pursuant to Section C below, in the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary (collectively, a "Liquidating Event"), the holders of Series A Preferred Stock shall have the option to receive out of the assets of the Corporation available for distribution to its shareholders, prior and in preference to any distribution of any of the assets of the Corporation to the holders of the Common Stock and Series of Preferred Stock ranking junior to the Series A Preferred Stock as to distribution of assets in the event of the occurrence of a Liquidating Event by reason of their ownership thereof, an amount equal to \$0.50 per share (as appropriately adjusted in the event of stock splits, stock dividends or similar capital adjustments or recapitalizations) (the "Liquidation Preference") as of the date of such Liquidating Event. Written notice of any such Liquidation Event, stating a payment date, the place where such payment shall be made and the amount of each liquidating payment shall be given by first class mail, postage paid, not less than fifteen (15) days prior to the payment date stated therein, to each holder of record of Series A Preferred Stock at such holder's address as shown on the records of the Corporation. If upon the occurrence of such Liquidating Event, the assets and funds to be thus distributed among the holders of Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full amount due hereunder, then the holders of Series A Preferred Stock shall share ratably in any distribution of assets of the Corporation in proportion to the respective amounts which would otherwise be payable with respect to the shares held by them upon such distribution if all amounts payable on or with respect to the shares were paid in full.

2. **Merger, Reorganization, Sale of Assets.** In the event of any acquisition of the Corporation by means of merger 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 subsidiary (other than a mere reincorporation transaction or one in which the holders of capital stock of the Corporation immediately prior to such merger or consolidation continue to hold at least a majority of the voting power of the surviving corporation) or a sale of all or substantially all the assets of the Corporation, then such merger, consolidation or asset sale shall be deemed to be a liquidation of the Corporation, and all consideration payable to the shareholders of the Corporation (in the case of a merger or consolidation), or all consideration payable to the Corporation together with all other available assets of the Corporation (in the case of an asset sale), shall be distributed to the holders of capital stock of the Corporation in accordance with paragraph B.1. above.

3. **Distribution of Property.** For purposes of this paragraph B., if any assets distributed to shareholders consist of property other than cash, the amount of such distribution shall be deemed to be the fair market value thereof at the time of such distribution, as determined in good faith by the Board of Directors of the Corporation.

C. **Conversion.** The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

1. **Right to Convert.** 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, at the office of the Corporation or any transfer agent for such stock, into one (1) share of Common Stock (the "Conversion Shares"). The number of shares of Common Stock into which the Series A Preferred Stock shall be converted shall be adjusted as hereinafter provided.

2. **Mechanics of Conversion.** Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he 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 he elects to convert the same and shall state therein the name or names in which he 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, a certificate or certificates for the number of shares of Common Stock to which he 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 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.

3. **Adjustments for Stock Dividends and for Combinations or Subdivisions of Common Stock.** In the event that the Corporation at any time or from time to time after the original date of issuance of shares of Series A Preferred Stock ("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 Series A Conversion Shares shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the 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.

4. **Adjustments for Reclassification and Reorganization.** If the Common Stock issuable upon conversion of the Series A 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, the Series A Conversion Shares shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A 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 immediately before that change.

5. **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 a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this paragraph C) as a part of such capital reorganization, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock 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 paragraph C. with respect to the rights of the holders of Series A Preferred Stock after the capital reorganization to the end that the provisions of this paragraph. (including adjustment of the Series A Conversion Shares and the number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

6. **Adjustment to Conversion Price Upon Issuance of Additional Shares of Common Stock.**

a. If the Corporation shall issue any Common Stock other than "Excluded Stock", as defined below, for a consideration per share less than the Conversion Price in effect immediately prior to the issuance of such Common Stock (excluding Stock dividends, subdivisions, split-ups, combinations, dividends or recapitalizations which are covered below), the

Conversion Price in effect immediately after each such issuance shall forthwith (except as provided in this Section be adjusted by multiplying the Conversion Price that is then in effect by the quotient obtained by dividing:

(1) (i) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance or sale, plus (ii) the number of shares of Common Stock which the aggregate consideration received (as defined below) by the Corporation for the total number of shares of Common Stock so issued or deemed to be issued would purchase at the applicable Preferred Stock Conversion Price, by

(2) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issues or sale plus the total number of shares of Common Stock so issued or deemed to be issued.

b. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of: (1) the number of shares of Common Stock actually outstanding, (2) the number of shares of Common Stock into which the then outstanding shares of Preferred Stock could be converted if fully converted, (3) all shares of Common Stock which could be obtained through the exercise of warrants, or options to purchase Common Stock or other securities issued or issuable to officers, directors, consultants or employees of the corporation pursuant to any plan or arrangement approved by the Board of Directors of the Corporation, (4) all securities issuable to lending or leasing institutions and (5) any securities issuable to brokers or "finders".

c. For purposes of this paragraph 6., "Excluded Stock" shall mean:

(1) all shares of Common Stock issued and outstanding on the date this document is filed with the Secretary of State of the State of Florida and all shares issuable upon exercise of options or warrants outstanding on the date this document is filed with the Secretary of State the State of Florida; and

(2) all shares of Series A Preferred Stock and the Common Stock into which the shares of Series A Preferred Stock are convertible; and

(3) all shares of Common Stock, warrants or options to purchase Common Stock or other securities issued to officers, directors, consultants, employees of the corporation pursuant to any stock option or stock purchase plan or arrangement approved by the Board of Directors of the corporation; and

(4) warrants or other securities issued to financial institutions or commercial lenders in connection with equipment financing transactions approved by the Corporation's Board of Directors; and

(5) any shares issued in connection with a merger of the Corporation with another company or acquisition of all or substantially all of the assets of another corporation, limited liability company, partnership or other business entity and

(6) shares issued in connection with a strategic transaction with a technology partner.

d. All calculations under this paragraph 6 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

7. **Certificates as to Adjustments.** Upon the occurrence of each adjustment or readjustment of the Series A Conversion Shares pursuant to this paragraph, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's Chief Executive Officer, President or Chief Financial Officer 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, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments and (ii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

8. **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 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.

9. **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 the Series A 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 the Series A 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 the Series A 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 this Certificate.

10. **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A 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).

11. **No Adjustment.** Upon any voluntary conversion of the Series A Preferred Stock, no adjustment to the conversion rights shall be made for declared and unpaid dividends on such stock surrendered for conversion; provided, however, that this subparagraph C.11. shall not limit the right of the former holders of Series A Preferred Stock so converted to collect such declared and unpaid dividends.

**D. Mandatory Conversion into Common Stock.**

Contemporaneously with the closing of an underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the offer and sale of shares of Common Stock of the Corporation to the public resulting in gross proceeds to the Corporation of not less than \$7,500,000, each share of Series A Convertible Preferred Stock shall automatically be converted without any further action by the holder thereof into the number of shares of Common Stock then applicable to such share in accordance with the adjustment provisions of this Section C. above.

**E. No Impairment.** The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action (other than actions taken in good faith), 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 carrying out all the provisions of paragraph C. hereof and in taking 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 against impairment.

**F. Notices.** Any notice required by the provisions of paragraph C. to be given to the Holders shall be deemed given five (5) days following deposit in the United States mail, postage prepaid, or upon delivery by hand or nationally recognized overnight delivery service and addressed to each Holder of record at such Holder's address or facsimile number appearing in the records of the Corporation.

**G. General.** Except as otherwise expressly provided herein or required by law, the Series A Preferred Stock shall vote together with all other classes and series of stock of the Corporation as a single voting group on all actions to be taken by the shareholders of the Corporation. In such cases that the Series A Preferred Stock does not vote together with all other classes and series of stock of the Corporation as set forth in the foregoing sentence, the Series A Preferred Stock and the Common Stock shall each vote separately as a voting group. Each share of Series A Preferred Stock shall entitle the holder thereof to such number of votes

per share on each such action as shall equal the number of shares of the Common Stock (including fractions of a share) into which each share of Series A Preferred Stock is then convertible. Except as otherwise required by applicable law, the holders of shares of the Common Stock shall be entitled to one vote for each share so held with respect to all matters voted on by the shareholders of the Corporation.

H. **Vote Requirement.** The affirmative consent or vote of the holders holding at least a majority of the aggregate outstanding shares of Series A Preferred Stock (the "Required Holders") shall be required with respect to any action not specifically provided for herein (a) which would alter the powers, preferences and special rights expressly provided herein of the holders of shares of Series A Preferred Stock; (b) which would create, by reclassification or otherwise, any new class or series of any stock of the Corporation having preference equivalent to or senior to the Series A Preferred Stock; or (c) which would increase the authorized number of shares of series A Preferred Stock.

P02000064495

Quadfore Corporation  
1801 Clint Moore Rd, Ste. 100  
Boca Raton, FL 33487

(561) 998-8884

August 17, 2002

Via overnight delivery (850) 488-9000

Florida Department of State  
Division of Corporations  
409 E. Gaines Street  
Tallahassee, FL 32399

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-08/22/02--01074--009  
\*\*\*\*\*43.75 \*\*\*\*\*43.75

Re: Articles of Amendment of Quadfore Corporation (P02000064495)

Dear Sir/Madam:

Enclosed herewith are Articles of Amendment to the Articles of Incorporation of Quadfore Corporation, together with a check in the amount of \$43.75 representing the \$35.00 filing fee and \$8.75 for a certified copy.

Please acknowledge receipt of the foregoing by stamping the enclosed copy of this letter and returning it in the self-addressed stamped enclosed, together with a certified copy of the Amendment.

Should you have any questions, please contact the undersigned at (561) 998-8884.

Very truly yours,

*Cory B. Nass*

Cory B. Nass  
President

Enclosure

FILED  
02 AUG 22 AM 9:16  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

ac 8/27  
Amend

**ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION  
OF QUADFORE CORPORATION, A FLORIDA CORPORATION**

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In accordance with the terms of Section 607.1006 of the Florida Business Corporation Act, **QUADFORE CORPORATION**, a Florida corporation (the "Corporation"), hereby adopts the following amendment to its Articles of Incorporation:

Article Third is hereby amended to read as follows:

**CAPITAL STOCK**

The Corporation shall have the authority to issue a maximum of (a) 20,000,000 shares of Common Stock having a par value of \$0.0001 per share and (b) 3,000,000 shares of Series A Convertible Preferred Stock having no par value with the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions set forth in Exhibit "A" hereto.

The foregoing amendment to the Articles of Incorporation of the Corporation was adopted by means of a Unanimous Written Consent of the Directors and Shareholders of the Corporation dated August 17, 2002, in accordance with the terms of Section 607.1003 of the Florida Business Corporation Act, and consequently, the number of shares cast in favor of the amendment was sufficient for its approval.

Date: August 17, 2002

**QUADFORE CORPORATION**

By: Cory B. Nass  
Name: CORY B. NASS  
Title: President

**FILED**  
02 AUG 22 AM 9:16  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**EXHIBIT "A"**

**STATEMENT OF RIGHTS AND PREFERENCES  
OF COMMON STOCK AND PREFERRED STOCK**

A statement of the powers, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions of the Common Stock and of the Series A Preferred Stock is as follows:

**A. Dividends.**

When and as declared by the Corporation's Board of Directors, the holders of Series A Preferred Stock shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of \$0.02 per share per annum, payable in preference to any payment of any dividend on Common Stock. After payment of such dividends, any additional dividends declared shall be payable entirely to the holders of Common Stock. The right of the holders of Series A Preferred Stock to receive dividends shall not be cumulative, and no right shall accrue to holders of Series A Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

**B. Liquidation.**

1. **Distribution Preference.** Subject to the provisions of applicable law and unless otherwise converted into shares of the Common Stock of the Corporation pursuant to Section C below, in the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary (collectively, a "Liquidating Event"), the holders of Series A Preferred Stock shall have the option to receive out of the assets of the Corporation available for distribution to its shareholders, prior and in preference to any distribution of any of the assets of the Corporation to the holders of the Common Stock and Series of Preferred Stock ranking junior to the Series A Preferred Stock as to distribution of assets in the event of the occurrence of a Liquidating Event by reason of their ownership thereof, an amount equal to \$0.50 per share (as appropriately adjusted in the event of stock splits, stock dividends or similar capital adjustments or recapitalizations) (the "Liquidation Preference") as of the date of such Liquidating Event. Written notice of any such Liquidation Event, stating a payment date, the place where such payment shall be made and the amount of each liquidating payment shall be given by first class mail, postage paid, not less than fifteen (15) days prior to the payment date stated therein, to each holder of record of Series A Preferred Stock at such holder's address as shown on the records of the Corporation. If upon the occurrence of such Liquidating Event, the assets and funds to be thus distributed among the holders of Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full amount due hereunder, then the holders of Series A Preferred Stock shall share ratably in any distribution of assets of the Corporation in proportion to the respective amounts which would otherwise be payable with respect to the shares held by them upon such distribution if all amounts payable on or with respect to the shares were paid in full.

2. **Merger, Reorganization, Sale of Assets.** In the event of any acquisition of the Corporation by means of merger 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 subsidiary (other than a mere reincorporation transaction or one in which the holders of capital stock of the Corporation immediately prior to such merger or consolidation continue to hold at least a majority of the voting power of the surviving corporation) or a sale of all or substantially all the assets of the Corporation, then such merger, consolidation or asset sale shall be deemed to be a liquidation of the Corporation, and all consideration payable to the shareholders of the Corporation (in the case of a merger or consolidation), or all consideration payable to the Corporation together with all other available assets of the Corporation (in the case of an asset sale), shall be distributed to the holders of capital stock of the Corporation in accordance with paragraph B.1. above.

3. **Distribution of Property.** For purposes of this paragraph B., if any assets distributed to shareholders consist of property other than cash, the amount of such distribution shall be deemed to be the fair market value thereof at the time of such distribution, as determined in good faith by the Board of Directors of the Corporation.

C. **Conversion.** The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

1. **Right to Convert.** 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, at the office of the Corporation or any transfer agent for such stock, into one (1) share of Common Stock (the "Conversion Shares"). The number of shares of Common Stock into which the Series A Preferred Stock shall be converted shall be adjusted as hereinafter provided.

2. **Mechanics of Conversion.** Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he 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 he elects to convert the same and shall state therein the name or names in which he 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, a certificate or certificates for the number of shares of Common Stock to which he 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 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.

3. **Adjustments for Stock Dividends and for Combinations or Subdivisions of Common Stock.** In the event that the Corporation at any time or from time to time after the original date of issuance of shares of Series A Preferred Stock ("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 Series A Conversion Shares shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the 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.

4. **Adjustments for Reclassification and Reorganization.** If the Common Stock issuable upon conversion of the Series A 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, the Series A Conversion Shares shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A 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 immediately before that change.

5. **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 a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this paragraph C) as a part of such capital reorganization, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock 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 paragraph C. with respect to the rights of the holders of Series A Preferred Stock after the capital reorganization to the end that the provisions of this paragraph. (including adjustment of the Series A Conversion Shares and the number of shares issuable upon conversion of the Series A Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

6. **Adjustment to Conversion Price Upon Issuance of Additional Shares of Common Stock.**

a. If the Corporation shall issue any Common Stock other than "Excluded Stock", as defined below, for a consideration per share less than the Conversion Price in effect immediately prior to the issuance of such Common Stock (excluding Stock dividends, subdivisions, split-ups, combinations, dividends or recapitalizations which are covered below), the

Conversion Price in effect immediately after each such issuance shall forthwith (except as provided in this Section be adjusted by multiplying the Conversion Price that is then in effect by the quotient obtained by dividing:

(1) (i) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issuance or sale, plus (ii) the number of shares of Common Stock which the aggregate consideration received (as defined below) by the Corporation for the total number of shares of Common Stock so issued or deemed to be issued would purchase at the applicable Preferred Stock Conversion Price, by

(2) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issues or sale plus the total number of shares of Common Stock so issued or deemed to be issued.

b. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of: (1) the number of shares of Common Stock actually outstanding, (2) the number of shares of Common Stock into which the then outstanding shares of Preferred Stock could be converted if fully converted, (3) all shares of Common Stock which could be obtained through the exercise of warrants, or options to purchase Common Stock or other securities issued or issuable to officers, directors, consultants or employees of the corporation pursuant to any plan or arrangement approved by the Board of Directors of the Corporation, (4) all securities issuable to lending or leasing institutions and (5) any securities issuable to brokers or "finders".

c. For purposes of this paragraph 6., "Excluded Stock" shall mean:

(1) all shares of Common Stock issued and outstanding on the date this document is filed with the Secretary of State of the State of Florida and all shares issuable upon exercise of options or warrants outstanding on the date this document is filed with the Secretary of State the State of Florida; and

(2) all shares of Series A Preferred Stock and the Common Stock into which the shares of Series A Preferred Stock are convertible; and

(3) all shares of Common Stock, warrants or options to purchase Common Stock or other securities issued to officers, directors, consultants, employees of the corporation pursuant to any stock option or stock purchase plan or arrangement approved by the Board of Directors of the corporation; and

(4) warrants or other securities issued to financial institutions or commercial lenders in connection with equipment financing transactions approved by the Corporation's Board of Directors; and



(5) any shares issued in connection with a merger of the Corporation with another company or acquisition of all or substantially all of the assets of another corporation, limited liability company, partnership or other business entity and

(6) shares issued in connection with a strategic transaction with a technology partner.

d. All calculations under this paragraph 6 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

7. **Certificates as to Adjustments.** Upon the occurrence of each adjustment or readjustment of the Series A Conversion Shares pursuant to this paragraph, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's Chief Executive Officer, President or Chief Financial Officer 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, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments and (ii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

8. **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 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.

9. **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 the Series A 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 the Series A 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 the Series A 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 this Certificate.

10. **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A 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).

11. **No Adjustment.** Upon any voluntary conversion of the Series A Preferred Stock, no adjustment to the conversion rights shall be made for declared and unpaid dividends on such stock surrendered for conversion; provided, however, that this subparagraph C.11. shall not limit the right of the former holders of Series A Preferred Stock so converted to collect such declared and unpaid dividends.

D. **Mandatory Conversion into Common Stock.**

Contemporaneously with the closing of an underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the offer and sale of shares of Common Stock of the Corporation to the public resulting in gross proceeds to the Corporation of not less than \$7,500,000, each share of Series A Convertible Preferred Stock shall automatically be converted without any further action by the holder thereof into the number of shares of Common Stock then applicable to such share in accordance with the adjustment provisions of this Section C. above.

E. **No Impairment.** The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action (other than actions taken in good faith), 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 carrying out all the provisions of paragraph C. hereof and in taking 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 against impairment.

F. **Notices.** Any notice required by the provisions of paragraph C. to be given to the Holders shall be deemed given five (5) days following deposit in the United States mail, postage prepaid, or upon delivery by hand or nationally recognized overnight delivery service and addressed to each Holder of record at such Holder's address or facsimile number appearing in the records of the Corporation.

G. **General.** Except as otherwise expressly provided herein or required by law, the Series A Preferred Stock shall vote together with all other classes and series of stock of the Corporation as a single voting group on all actions to be taken by the shareholders of the Corporation. In such cases that the Series A Preferred Stock does not vote together with all other classes and series of stock of the Corporation as set forth in the foregoing sentence, the Series A Preferred Stock and the Common Stock shall each vote separately as a voting group. Each share of Series A Preferred Stock shall entitle the holder thereof to such number of votes

per share on each such action as shall equal the number of shares of the Common Stock (including fractions of a share) into which each share of Series A Preferred Stock is then convertible. Except as otherwise required by applicable law, the holders of shares of the Common Stock shall be entitled to one vote for each share so held with respect to all matters voted on by the shareholders of the Corporation.

H. **Vote Requirement.** The affirmative consent or vote of the holders holding at least a majority of the aggregate outstanding shares of Series A Preferred Stock (the "Required Holders") shall be required with respect to any action not specifically provided for herein (a) which would alter the powers, preferences and special rights expressly provided herein of the holders of shares of Series A Preferred Stock; (b) which would create, by reclassification or otherwise, any new class or series of any stock of the Corporation having preference equivalent to or senior to the Series A Preferred Stock; or (c) which would increase the authorized number of shares of series A Preferred Stock.