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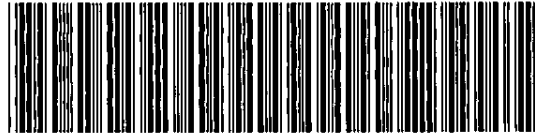
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merger

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DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

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2008 SEP 22 PM 4:56
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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CT
a Wolters Kluwer business

CT
1203 Governors Square Blvd.
Suite 101
Tallahassee, FL 32301-2960

850 222 1092 tel
850 222 7615 fax
www.ctlegalsolutions.com

September 22, 2008

Department of State, Florida
Clifton Building
2611 Executive Center Circle
Tallahassee FL 32301

Re: Order #: 7367606 SO
Customer Reference 1: None Given
Customer Reference 2: None Given

Dear Department of State, Florida:

Please obtain the following:

ISO Group, Inc. (FL)
Merger (Survivor)
Florida

Enclosed please find a check for the requisite fees. Please return document(s) to the attention of the undersigned.

If for any reason the enclosed cannot be processed upon receipt, please contact the undersigned immediately at (850) 222-1092. Thank you very much for your help.

Sincerely,

Christina McNeair
CL Operations Specialist
Christina.McNeair@wolterskluwer.com

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2611 Executive Center Circle
Tallahassee FL 32301

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Sincerely,

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FILED

2008 SEP 22 PM 4:56

ARTICLES OF MERGER
OF ISO COMPONENTS, INC.
INTO ISO GROUP, INC.

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1101 and Section 607.1105 of the Florida Business Corporation Act, as amended, the undersigned corporations adopt the following Articles of Merger for the purpose of merging them into one of such corporations:

FIRST: The names of the undersigned corporations and the States under the laws of which they re respectively organized are:

<u>Name of Corporation</u>	<u>State</u>
ISO Components, Inc.	Florida
ISO Group, Inc.	Florida

SECOND: The surviving corporation is ISO Group, Inc. and it is to be governed by Chapter 607 of the laws of the State of Florida.

THIRD: The Agreement and Plan of Merger (the "Plan of Merger") attached hereto as Exhibit A was approved by the shareholders of the undersigned corporations in the manner prescribed by Section 607.1103 of the Florida Business Corporation Act, as amended, on September 18, 2008.

FOURTH: As to each of the undersigned corporations, the votes in favor of the merger of each class entitled to vote thereon were sufficient to approve the merger. Each corporation has a single class of stock issued and outstanding.

FIFTH: The articles of incorporation of ISO Group, Inc. are amended to delete Article THIRD and replace it with the following:

"THIRD: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) Three Million (3,000,000) shares of Common Stock, \$0.001 par value per share ("Common Stock"), and (ii) Two Million (2,000,000) shares of Preferred Stock, \$0.001 par value per share ("Preferred Stock") of which Eight Hundred Fifty Thousand (850,000) shares are hereby designated as "Series A Participating Preferred Stock" (the "Series A Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein

2. Voting. The holders of the Common Stock are entitled to one (1) vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

3. Dividends. No dividends shall accrue or be payable on the Common Stock except as provided in this Article Third.

B. PREFERRED STOCK

Preferred Stock may be issued from time to time in one or more series, each of such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein. In addition, authorized and unissued shares of Preferred Stock may be issued with such designations, voting powers (or no voting powers), preferences and relative, participating, optional or other special rights, and qualifications, limitations and restrictions on such rights, as the Board of Directors may authorize by resolutions duly adopted prior to the issuance of any shares of any series of Preferred Stock, including, but not limited to: (i) the distinctive designation of each series and the number of shares that will constitute such series; (ii) the voting rights, if any, of shares of such series and whether the shares of any such series having voting rights shall have multiple or fractional votes per share; (iii) the dividend rate on the shares of such series, any restriction, limitation, or condition upon the payment of such dividends, whether dividends shall be cumulative, and the dates on which dividends are payable; (iv) the prices at which, and the terms and conditions on which, the shares of such series may be redeemed, if such shares are redeemable; (v) the purchase or sinking fund provisions, if any, for the purchase or redemption of shares of such series; (vi) any preferential amount payable upon shares of such series in the event of the liquidation, dissolution, or winding-

up of the Corporation, or the distribution of its assets; (vii) the prices or rates of conversion at which, and the terms and conditions on which, the shares are convertible; and (viii) such other preferences, powers, qualifications, rights and privileges, all as the Board of Directors may deem advisable and as are not inconsistent with law and the provisions of this Certificate of Incorporation.

The Series A Preferred Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article Third refer to sections and subsections of Part B of this Article Third.

1. Dividends. Dividends will be paid on the Preferred Stock as follows:

1.1 Dividends on Series A Preferred Stock. From and after the date of the issuance of any shares of Series A Preferred Stock, dividends at the rate per annum of eight percent (8%) of the applicable Series A Original Issue Price (as defined below) per share shall accrue on such shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock), and compound annually on December 31 (the "Accruing Dividends"). Accruing Dividends shall accrue from day to day (whether or not declared), shall be cumulative, and, when and if declared by the Board, shall be payable in cash or, with respect to any dividends owed to the holders of Series A Preferred Stock, at the option of the holders of Series A Preferred Stock, shall be payable in shares (the "PIK Shares") of Series A Preferred Stock valued at the then applicable Series A Conversion Price (as defined below) of the Series A Preferred Stock; provided however, that (a) PIK Shares which a holder of Series A Preferred Stock has elected to receive shall be deemed to have been issued on and as of the earliest December 31 after the original issue date of the Series A Preferred Stock on which such PIK Shares are paid as a dividend, and (b) except as set forth in the following two (2) sentences of this Subsection 1.1 or in Subsection 2.1 or 6 of this Section B of Article Third, the Corporation shall be under no obligation to pay such Accruing Dividends. Accruing Dividends on the Series A Preferred Stock shall be paid in full upon the consummation of a Qualified Initial Public Offering (as defined in Subsection 5.2 of this Section B of Article Third), at a Conversion Time (as defined in Subsection 4.3.1 of this Part B of Article Third) or other Series A Mandatory Conversion Time (as defined in Subsection 5.1 of this Part B of Article Third).

1.2 Deferral of Dividends upon Conversion. In the event of the conversion of all of the outstanding Series A Preferred Stock (other than in connection with a Qualified Initial Public Offering or a Deemed Liquidation Event), and the holders of the Series A Preferred Stock being converted do not elect to receive PIK Shares for the Accruing Dividend then due and payable, and at such time, in the judgment of the Board of Directors (excluding the Series A Directors) the Corporation lacks sufficient cash resources, and ability to generate cash resources through reasonable efforts upon reasonable terms, to pay the Accruing Dividend in cash in full without materially adversely affecting the Corporation's ability to manage its business in accordance with past practices, then the Corporation shall pay the Accruing Dividend in cash to the extent

of cash resources which are available or which can be so generated, and the balance of the Accruing Dividend shall be deferred for twelve (12) months, bearing interest at 8% per annum, at which time the entire deferred portion of the Accruing Dividend shall be payable in full.

1.3 Other Dividends Payable on Series A Preferred Stock. In addition to the Accruing Dividend payable pursuant to Section 1.1 of Part B of this Article Third, the holders of the Series A Preferred Stock shall also be entitled to receive dividends paid out of funds legally available for that purpose in the same amounts and on the same terms as any dividends declared by the Board and paid on the Corporation's Common Stock and any such dividend payable on each share of the Series A Preferred Stock shall be calculated on an as converted basis, based on the number of shares of Common Stock into which such share of Series A Preferred Stock could be converted on the record date for such dividend.

1.4 Other Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Series A Preferred Stock and not previously paid which the holders of Series A Preferred Stock may, at their option, accept as PIK Shares consistent with Subsection 1.1 of this Article Third and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series A Original Issue Price; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock dividend.

1.5 Series Original Issue Price. For purposes of this Article Third, the "Series A Original Issue Price" shall mean [\$12.7848899] per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series A Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each holder of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share of Series A Preferred Stock equal to the Series A Original Issue Price plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Series A Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of the shares of Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of the Certificate of Incorporation immediately prior to such dissolution, liquidation or winding up of the Corporation. The aggregate amount which a holder of a share of Series A Preferred Stock is entitled to receive under Subsections 2.1 and 2.2 is hereinafter referred to as the "Series A Liquidation Amount."

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "Deemed Liquidation Event" unless the holders of a Requisite Majority of the Series A Preferred Stock elect otherwise by written notice sent to the Corporation prior to the effective date of any such event:

(a) a merger, consolidation, conversion, share exchange or issuance of securities in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party, and the Corporation

issues shares of its capital stock pursuant to such transaction,

except any such merger, consolidation, conversion, share exchange or issuance of securities involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power (1) of the capital stock of the surviving or resulting corporation, or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, of the capital stock of the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this Subsection 2.3.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if a substantial portion of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "Merger Agreement") or other transaction document provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within sixty (60) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Series A Preferred Stock no later than the sixth-fifth (65th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following Clause (ii) to require the redemption of such shares of Series A Preferred Stock, and (ii) if the holders of a Requisite Majority of the Series A Preferred Stock so request in a written instrument

delivered to the Corporation not later than ninety (90) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board), together with any other assets of the Corporation available for distribution to its stockholders (the "Available Proceeds"), to the extent legally available therefor, on the one hundred twentieth (120th) day after such Deemed Liquidation Event (the "Liquidation Redemption Date"), to redeem all outstanding shares of Series A Preferred Stock at a price per share equal to the Series A Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Series A Preferred Stock, the Corporation shall redeem a pro rata portion of each holder's shares of Series A Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and taking into account the provisions relating to the liquidation preference of such shares of Series A Preferred Stock set forth in Subsections 2.1 and 2.2, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Written notice of the redemption (the "Liquidation Redemption Notice") shall be sent to each holder of record of Series A Preferred Stock not less than twenty (20) days prior to the Liquidation Redemption Date. The Liquidation Redemption Notice shall state the number of shares of Series A Preferred Stock held by the holder that the Corporation shall redeem on the Liquidation Redemption Date specified in the Liquidation Redemption Notice, the Liquidation Redemption Date, the amount due, if any, with respect to each outstanding share of Series A Preferred Stock, pursuant to this Subsection 2.3.2(b) (the "Redemption Price"), the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1) and that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed. On or before the Liquidation Redemption Date, each holder of shares of Series A Preferred Stock to be redeemed on such Liquidation Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Liquidation Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. If the Liquidation Redemption Notice shall have been duly given, and if on the applicable Liquidation Redemption Date the applicable Redemption Price payable upon redemption of such shares of Series A Preferred Stock to be redeemed on such Liquidation Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor, then notwithstanding that the certificates evidencing any of the shares of Series

A Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after such Liquidation Redemption Date and all rights with respect to such shares shall forthwith after the Liquidation Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefore. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

(c) Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board.

2.3.3 Allocation of Escrow. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Voting.

3.1 General. (a) On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter; provided however that the holders of Series A Preferred Stock shall have no right to vote on the election of the Common Directors, as set forth in Subsection 3.2 below unless such holders have converted their Series A Preferred Stock into Common Stock. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Series A Preferred Stock shall vote together with the holders of Common Stock as a single class.

(b) As to any matter hereunder requiring the consent or approval or other action of a "**Requisite Majority of the Series A Preferred Stock**", such term means the approval or consent of the holders of no less than 75% of the Shares of Series A Preferred Stock outstanding at the date of such action.

3.2 Election of Directors. The Board shall consist of five (5) members, except as otherwise approved by a Requisite Majority of the Series A Preferred Stock. For so long as there are any shares of Series A Preferred Stock outstanding, the holders of record of the Series A Preferred Stock shall be entitled to elect two (2) directors of the Corporation (the "**Series A Directors**"), as follows: the holders of a majority of the outstanding Series A Preferred Stock originally issued to ABS Capital Partners V LP, ABS Capital Partners V-A, L.P. and ABS Capital Partners V-A Offshore, L.P. shall be entitled to elect one director (the "**ABS Director**") and the holders of a majority of the outstanding Series A Preferred Stock originally issued to Antares Capital Fund IV Limited Partnership and Antares Capital Fund IV Parallel Limited Partnership shall be entitled to elect one director (the "**Antares Director**"). The holders of record of the shares of Common Stock (excluding for such purpose, the holders of Series A Preferred Stock) shall be entitled to elect two (2) directors of the Corporation, one of which shall be the Chief Executive Officer of the Corporation (the "**Common Directors**"). The remaining member of the Board shall be elected by the approving vote of each of (i) the holders of record of a majority of the outstanding Common Stock and (ii) the holders of a Requisite Majority of the Series A Preferred Stock (the "**Independent Director**"). Except to the extent provided otherwise in any written agreement among the Corporation, the holders of a Requisite Majority of the Series A Preferred Stock and other holders of the Corporation's capital stock, the following provisions shall apply to the election and service of directors: Any director elected as provided in this Subsection may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or classes or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors pursuant to this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock and/or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class or classes as set forth above. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a that number (but no less than a majority) of the outstanding shares of the class or classes or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or classes or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Series A Preferred Stock Protective Provisions. So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment to the Certificate of Incorporation, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a Requisite Majority of the Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) together as a single class:

(a) liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or consent to any of the foregoing;

(b) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

(c) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series A Preferred Stock as expressly authorized herein and (ii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof;

(d) create, or authorize the creation of, or issue, or authorize the issuance of any equity security (or any securities exercisable for or convertible into equity securities), or permit any subsidiary to take any such action with respect to any security;

(e) create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of a substantial portion of the assets of such subsidiary;

(f) permit there to be any liens, encumbrances or security interests on any of the Corporation's assets other than with respect to such permitted indebtedness or those incurred in the ordinary course of business;

(g) make any investments other than investments in certificates of deposit in any United States bank having a net worth in excess of \$100,000,000 or obligations issued or guaranteed by the United States of America, in each case having a maturity not in excess of one year;

(h) incur any indebtedness for borrowed money, issue any debt or guaranty any obligation of any other entity or person in all such cases, either individually or in the aggregate, in an amount greater than \$500,000;

(i) increase or decrease the authorized number of directors constituting the Board;

(j) enter into any transaction or series of transactions with, or loan money to, any of the Corporation's or any subsidiary's stockholders, directors, officers or affiliates thereof;

(k) form, acquire, or contribute capital or other assets to, or cause the Corporation to make loans to, any subsidiary, joint venture or other entity;

(l) create, or authorize the creation of, or issue or obligate itself to issue shares of any additional class or series of capital stock, increase the authorized number of shares of Series A Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock, other than shares of Common Stock issued or deemed issued to employees, directors or consultants of the Company pursuant to a plan, agreement or arrangement that approved by a Requisite Majority of the Series A Preferred Stock;

(m) change the principal business of the Company, enter into new lines of business or exit the current line of business of the Company;

(n) hire, terminate or change the compensation of the executive officers of the Company or make any changes to the option plan of the Company;

(o) sell, transfer, license, pledge or encumber technology or intellectual property, other than licenses granted in the ordinary course of business;

(p) amend, alter or appeal Subsection 3.3 hereof; or

(q) enter into any transaction or series of transactions that result in a Deemed Liquidation Event.

4. Optional Conversion.

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

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the Series A Conversion Price in effect at the time of conversion. The "Series A Conversion Price" shall initially be equal to [\$12.7848899]. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a notice of redemption of any shares of Preferred Stock pursuant to Section 6, the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the redemption price is not fully paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series A Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such aggregate conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Series A Preferred Stock to voluntarily convert shares of Series A Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Series A Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the

Corporation, the certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, issue and deliver to such holder of Series A Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof, and a certificate for the number (if any) of the shares of Series A Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and payment of any declared but unpaid dividends (including any Accruing Dividends) on the shares of Series A Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock including sufficient shares to allow for the PIK Shares and the Series A Participation Value; 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 including sufficient shares to allow for the PIK Shares and the Series A Participation Value, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Series A Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Series A Conversion Price.

4.3.3 Effect of Conversion. All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon and, if applicable, all Accruing Dividends, whether or not declared. Any shares of Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the

Corporation shall thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Series A Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Prices for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Third, the following definitions shall apply:

(a) **"Option"** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) **"Original Issue Date"** shall mean the date on which the first share of Series A Preferred Stock was issued.

(c) **"Convertible Securities"** shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) **"Additional Shares of Common Stock"** shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than the following shares of Common Stock, and shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (collectively **"Exempted Securities"**):

- (i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Series A Preferred Stock;
- (ii) shares of Common Stock, Options or Convertible Securities issued by reason of a

dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

- (iii) up to an aggregate of One Hundred Thirteen Thousand Four Hundred Thirteen (113,413) shares of Common Stock or Options out of the reserved shares of Common Stock issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board, including in such Board Approval the affirmative votes of the Series A Directors;
- (iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security; or
- (v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, pursuant to a debt financing or equipment leasing transaction approved by the Board, including in such Board Approval the affirmative votes of the Series A Directors.

4.4.2 No Adjustment of Conversion Prices. No adjustment in the Series A Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a Requisite Majority of the Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive

any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Series A Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Series A Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this Clause (b) shall have the effect of increasing the Series A Conversion Price to an amount which exceeds the lower of (i) the Series A Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Series A Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and

the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Series A Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Series A Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Series A Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Prices Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series A Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Series A Conversion Price in effect immediately prior to such issue, then the Series A Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined as follows:

- (i) In the event the date of such issue is on or before September 30, 2010 (unless such issue occurs after the Corporation has issued, after the Original Issue Date and before September 30, 2010, additional shares of Preferred Stock at a per share purchase price greater than the initial Series A Preferred Conversion Price for gross consideration to the Corporation of no less than \$4,000,000) at less than the then applicable Series A Conversion Price, then the Series A Conversion Price shall be adjusted to be the consideration per share applicable to such issue; and
- (ii) In all other cases, in accordance with the following formula:

$$CP_2 = CP_1 * ((A + B) \div (A + C)).$$

For purposes of the foregoing formula, the following definitions shall apply:

(b) "CP₂" shall mean the Series A Conversion Price in effect immediately after such issue of Additional Shares of Common Stock

(c) "CP₁" shall mean the Series A Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(d) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(e) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP₁ (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP₁); and

(f) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

- (i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
- (ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board; and
- (iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in Clauses (i) and (ii) above, as determined in good faith by the Board.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing

- (i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by
- (ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4 then, upon the final such issuance, the Series A Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price in effect immediately

before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Series A Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Series A Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Series A Conversion Price then in effect by a fraction:

- (1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and
- (2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Conversion Price shall be adjusted pursuant to this Subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Series A Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make

or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Series A Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series A Preferred Stock to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series A Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series A Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Series A Preferred Stock Trigger Events. Upon either (a) a Qualified Initial Public Offering or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a Requisite Majority of the Series A Preferred Stock (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Series A Mandatory Conversion Time**"), (i) all outstanding shares of Series A Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate and (ii) such shares may not be reissued by the Corporation; provided that, in addition to the shares of Common Stock to which the holders of Series A Preferred Stock shall be entitled thereunder, there shall be issuable to such holders that additional number of shares of Common Stock as shall have a value equal to the product of the Series A Original Issue Price times the number of Series A Preferred Stock then being converted (the "**Series A Participation Value**").

5.2 Qualified Initial Public Offering. As used in this Article Third, a "**Qualified Initial Public Offering**" shall mean the closing of the sale of shares of Common Stock to the public at a per share price (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with

respect to the Common Stock) equating to a pre-offering valuation of the Corporation of at least \$200,000,000, in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$40,000,000 of gross proceeds, net of the underwriting discount and commissions, to the Corporation.

5.3 Procedural Requirements. All holders of record of shares of Series A Preferred Stock shall be sent written notice of the Series A Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Series A Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock converted pursuant to Subsection 5.1, except for the right of the holders of the Series A Preferred Stock to receive unpaid Accruing Dividends accruing on and prior to the Series A Mandatory Conversion Time (including Accruing Dividends payable to the holders of Series A Preferred Stock in shares of Series A Preferred Stock) which the Corporation shall pay at the Series A Mandatory Conversion Time, but including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Series A Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), in each case except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next two sentences of this Subsection 5.3. As soon as practicable after the Series A Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment, in cash or with shares of Series A Preferred Stock (which shall also be deemed to be subject to such mandatory conversion) of any declared but unpaid dividends (including any undeclared Accruing Dividends) on the shares of Series A Preferred Stock converted. All shares of Series A Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation shall thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

6. Redemption.

6.1 Certain Definitions.

(a) **"Book Value"** at any date shall mean the net assets of the Corporation, consisting of the amount of the total assets of the Corporation reflected in the balance sheet as at the end of the most recently completed fiscal year (the **"Base Year"**) included in the Corporation's audited or other regularly prepared financial statements for such fiscal year, minus the total liabilities of the Corporation reflected in such balance sheet.

(b) **"Discounted Cash Value"** shall mean six (6) times EBITDA for the most recently completed fiscal year, adjusted for cash and debt in accordance with standard and customary adjustments to determine enterprise value.

(c) **"EBITDA"** shall mean the earnings of the Corporation for the most recently completed fiscal year, determined in accordance with generally accepted accounting principles applied on a basis consistent with prior periods, without giving effect to any deduction for interest, taxes, depreciation or amortization and excluding all extraordinary items, all as reflected in the Corporation's audited or other regularly prepared financial statements for such fiscal year.

(d) **"Fair Market Value"** as applied to the determination of the Series A Redemption Price (as hereinafter defined) shall mean the fair market value of the outstanding shares of the Series A Preferred Stock as determined by appraisal. The Corporation (acting through its Board, without the participation of the Series A Directors) shall select one (1) independent appraiser and the holders of a Requisite Majority of the Series A Preferred Stock to be redeemed shall select one (1) independent appraiser and such appraisers shall designate a third independent appraiser. Each of the three (3) appraisers shall provide a determination of the fair market value of the Series A Preferred Stock within twenty (20) days after the appointment of the third appraiser and such fair market value shall be deemed to be an amount equal to the average of the amounts determined by such appraisers and such determination shall be conclusive, final and binding on all holders of the Series A Preferred Stock being redeemed and the Corporation and shall be enforceable in any court having any jurisdiction over a proceeding brought to seek enforcement; provided that in the event that the highest appraisal is more than fifteen percent (15%) higher than the median appraisal or the lowest appraisal is more than fifteen percent (15%) lower than the median appraisal, such higher or lower appraisal or both, as the case may be, shall be disregarded in determining such fair market value. In determining the fair market value of the Series A Preferred Stock, such determination shall be made (i) taking into account the liquidation and dividend preferences and the all of the rights and privileges of the Series A Preferred Stock, (ii) without any reduction in value for lack of control or the inherent lack of liquidity of non-public minority interests and (iii) giving full effect to the earnings history and prospects of the Corporation.

6.2 Series A Redemption. Shares of Series A Preferred Stock shall be redeemed by the Corporation from time to time out of funds lawfully available therefor at a price equal to the highest of (a) Fair Market Value, (b) Book Value and (c) the Discounted Cash Value (the "**Series A Redemption Price**") as of the date of the applicable Redemption Request, at any time on or after April 30, 2013, after receipt by the Corporation of written notice (a "**Redemption Request**") requesting redemption of shares of Series A Preferred Stock from the holders of a Requisite Majority of the Series A Preferred Stock on a date (the "**Series A Redemption Date**") no less than ninety (90) days after the date of the Redemption Request. On the Series A Redemption Date, the Corporation shall redeem all or a portion of the outstanding Series A Preferred Stock at the Series A Redemption Price according to the following schedule:

(a) If the date of the Redemption Request is on or after April 30, 2013 and prior to April 30, 2014, up to one-third (1/3) of the Shares of Series A Preferred Stock outstanding on the Series A Redemption Date in the amount specified in the Redemption Request;

(b) If the date of the Redemption Request is on or after April 30, 2014, and prior to April 30, 2015, up to an aggregate amount equal to (i) two-thirds (2/3) of the Shares of Series A Preferred Stock outstanding on the date of the initial Redemption Request, less (ii) the number of Shares of Series A Preferred Stock previously redeemed by the Corporation; and

(c) If the date of the Redemption Request is on or after April 30, 2015, up to all of the Shares of Series A Preferred Stock remaining outstanding, as specified in the Redemption Request.

The holders of the Series A Preferred Stock may issue any number of Redemption Requests at any time on or after April 30, 2013, each such Redemption Request to specify the number of Shares of Series A Preferred Stock to be redeemed on the applicable Redemption Date specified in such Request. All Shares of Preferred Stock to be redeemed on any Redemption Date shall be redeemed pro rata from each holder of outstanding Series A Preferred Stock, except to the extent such holder shall have converted such Shares to be redeemed on such date to Common Stock as provided in Section 6.4.

If the Corporation does not have sufficient funds legally available to redeem on a Series A Redemption Date all shares of Series A Preferred Stock to be redeemed, the Corporation shall redeem a pro rata portion of each holder's redeemable shares of such capital stock out of funds legally available therefor, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the legally available funds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

6.3 Company Redemption Notice. The Company shall send written notice of the receipt of Redemption Request (the "**Company Redemption Notice**") to

each holder of record of Series A Preferred Stock not less than sixty (60) days prior to each Redemption Date. Each Company Redemption Notice shall state:

(a) the number of shares of Series A Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Company Redemption Notice;

(b) the Redemption Date and the Redemption Price;

(c) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1); and

(d) that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Series A Preferred Stock to be redeemed.

6.4 Surrender of Certificates; Payment. On or before the applicable Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Company Redemption Notice, and thereupon the applicable Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder.

6.5 Rights Subsequent to Redemption. If the Company Redemption Notice shall have been duly given, and if on the applicable Redemption Date the applicable Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor.

7. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or

transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

8. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of a Requisite Majority of the Series A Preferred Stock then outstanding.

9. Notices. Any notice required or permitted by the provisions of this Article Third to be given to a holder of shares of Series A Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission."

SIXTH: The effective date of the merger shall be the date of filing these Articles of Merger with the Secretary of State of Florida.

Dated: September 18, 2008

ISO COMPONENTS, INC.

By: 

Jason Nunn, President

ISO GROUP, INC.

By: 

Jason Nunn, President

Exhibit A

Agreement and Plan of Merger

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER ("Agreement") is entered into this 13th day of September, 2008 by and between ISO Group, Inc., a Florida corporation, and ISO Components, Inc., a Florida corporation, as follows:

ARTICLE I CONSTITUENT ENTITIES

<u>Name</u>	<u>Address</u>	<u>Jurisdiction of Organization and Governing Law</u>
ISO Group, Inc.	7700 Technology Drive West Melbourne, Florida 32904	Florida
ISO Components, Inc.	7700 Technology Drive West Melbourne, Florida 32904	Florida

ARTICLE II SURVIVING ENTITY

ISO Group, Inc., a Florida corporation, shall be the surviving entity of the merger.

ARTICLE III TERMS AND CONDITIONS OF MERGER

A. Upon the effective date of the merger ("effective date"), ISO Group, Inc. and ISO Components, Inc. shall become a single entity which shall be ISO Group, Inc., and the separate existence of the non-surviving entity shall cease except to the extent provided by the laws of the State of Florida for a corporation after its merger into another entity.

B. From and after the effective date, the surviving entity shall possess (i) all of the rights, privileges, immunities and franchises, of a public as well as a private nature, of each of the constituent entities, (ii) all property, real, personal and mixed, belonging to each of the constituent entities, (iii) all debts due on whatever account (including subscriptions for shares) and other choses in action due or belonging to each of the constituent entities, and (iv) all other interests belonging to each of the constituent entities. All of such property, debts, choses in action and other interests shall be taken and deemed to be vested in the surviving entity without further act or deed, including the title to all real estate, or any interest therein, vested in either of the constituent entities, which title shall not revert or be in any way impaired by reason of the merger. If at any time the surviving entity shall consider or be advised that any further assignments or assurances in law are necessary to vest in the surviving entity any property, debts, choses in action or other interests of the non-surviving entity, the proper officers and directors (and, if required, stockholders) of the non-surviving entity shall make and execute all

such requested assignments and assurances in law and do all things necessary or proper to vest such property, debts, choses in action or other interests in the surviving entity, and otherwise to carry out the purposes of this Agreement.

C. From and after the effective date, the surviving entity shall be responsible and liable for all of the liabilities and obligations of each of the constituent entities, and any claim existing or action or proceeding pending by or against either of the constituent entities may be prosecuted to judgment by or against such constituent entity as if the merger had not taken place, or by or against the surviving entity (which may be substituted as a party in any such action or proceeding), and neither the rights of creditors nor any liens upon the property of either of the constituent entities shall be impaired by the merger.

D. The articles of incorporation of the surviving entity as constituted immediately prior to the effective date shall continue to be the articles of incorporation of the surviving entity, except as amended as described below.

E. The bylaws of the surviving entity as constituted immediately prior to the effective date shall continue to be the bylaws of the surviving entity, in accordance with and subject to the provisions of its articles of incorporation and bylaws.

F. The officers and directors of the surviving entity as constituted immediately prior to the effective date shall continue to be the officers and directors of the surviving entity, in accordance with and subject to the provisions of its articles of incorporation and bylaws.

ARTICLE IV FILING REQUIREMENTS

ISO Group, Inc. shall cause articles of merger to be filed with the State of Florida which shall be executed by ISO Group, Inc. and ISO Components, Inc. as required by law.

ARTICLE V MANNER AND BASIS OF CONVERTING SHARES

A. ISO Group, Inc. is authorized to issue a single class of capital stock consisting of fifteen million (15,000,000) shares of \$0.001 par value common stock. Five hundred fifty-one thousand four hundred fifteen and 385/1000 (551,415.385) shares are issued and outstanding.

B. ISO Components, Inc. is authorized to issue two thousand (2,000) shares of common stock, par value \$0.01 per share. Five hundred (500) shares of common stock are issued and outstanding.

C. The holders of ISO Group, Inc. shall retain their existing shares and no additional shares of ISO Group, Inc. shall be issued. All of the issued and outstanding shares of ISO Components, Inc. shall be retired and cancelled. Shareholders of ISO Components, Inc. shall be entitled to receive in the aggregate fifty dollars (\$50.00) in exchange for all of the issued and outstanding stock of ISO Components, Inc. Said sum shall be distributed among the shareholders of ISO Components, Inc. pro rata.

D. The shareholders of ISO Components, Inc. who have executed this Agreement and Plan of Merger hereby represent and warrant to ISO Group, Inc. and ISO Components, Inc. that the five hundred (500) shares of the common stock of ISO Components, Inc. issued to them is fully paid and non-assessable and there exist no other equity securities of ISO Components, Inc. issued and outstanding nor any options, warrants or other rights to acquire any equity securities of ISO Components, Inc.

ARTICLE VI AMENDMENTS TO ARTICLES OF INCORPORATION

The Articles of Incorporation of ISO Group, Inc. shall be amended in the Articles of Merger to be filed in conjunction with the merger to delete the existing Article THIRD and to replace it with the following Article THIRD:

"THIRD: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) Three Million (3,000,000) shares of Common Stock, \$0.001 par value per share ("Common Stock"), and (ii) Two Million (2,000,000) shares of Preferred Stock, \$0.001 par value per share ("Preferred Stock") of which Eight Hundred Fifty Thousand (850,000) shares are hereby designated as "Series A Participating Preferred Stock" (the "Series A Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein

2. Voting. The holders of the Common Stock are entitled to one (1) vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock

may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

3. Dividends. No dividends shall accrue or be payable on the Common Stock except as provided in this Article Third.

B. PREFERRED STOCK

Preferred Stock may be issued from time to time in one or more series, each of such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein. In addition, authorized and unissued shares of Preferred Stock may be issued with such designations, voting powers (or no voting powers), preferences and relative, participating, optional or other special rights, and qualifications, limitations and restrictions on such rights, as the Board of Directors may authorize by resolutions duly adopted prior to the issuance of any shares of any series of Preferred Stock, including, but not limited to: (i) the distinctive designation of each series and the number of shares that will constitute such series; (ii) the voting rights, if any, of shares of such series and whether the shares of any such series having voting rights shall have multiple or fractional votes per share; (iii) the dividend rate on the shares of such series, any restriction, limitation, or condition upon the payment of such dividends, whether dividends shall be cumulative, and the dates on which dividends are payable; (iv) the prices at which, and the terms and conditions on which, the shares of such series may be redeemed, if such shares are redeemable; (v) the purchase or sinking fund provisions, if any, for the purchase or redemption of shares of such series; (vi) any preferential amount payable upon shares of such series in the event of the liquidation, dissolution, or winding-up of the Corporation, or the distribution of its assets; (vii) the prices or rates of conversion at which, and the terms and conditions on which, the shares are convertible; and (viii) such other preferences, powers, qualifications, rights and privileges, all as the Board of Directors may deem advisable and as are not inconsistent with law and the provisions of this Certificate of Incorporation.

The Series A Preferred Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article Third refer to sections and subsections of Part B of this Article Third.

1. Dividends. Dividends will be paid on the Preferred Stock as follows:

1.1 Dividends on Series A Preferred Stock. From and after the date of the issuance of any shares of Series A Preferred Stock, dividends at the rate per annum of

eight percent (8%) of the applicable Series A Original Issue Price (as defined below) per share shall accrue on such shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock), and compound annually on December 31 (the "Accruing Dividends"). Accruing Dividends shall accrue from day to day (whether or not declared), shall be cumulative, and, when and if declared by the Board, shall be payable in cash or, with respect to any dividends owed to the holders of Series A Preferred Stock, at the option of the holders of Series A Preferred Stock, shall be payable in shares (the "PIK Shares") of Series A Preferred Stock valued at the then applicable Series A Conversion Price (as defined below) of the Series A Preferred Stock; provided however, that (a) PIK Shares which a holder of Series A Preferred Stock has elected to receive shall be deemed to have been issued on and as of the earliest December 31 after the original issue date of the Series A Preferred Stock on which such PIK Shares are paid as a dividend, and (b) except as set forth in the following two (2) sentences of this Subsection 1.1 or in Subsection 2.1 or 6 of this Section B of Article Third, the Corporation shall be under no obligation to pay such Accruing Dividends. Accruing Dividends on the Series A Preferred Stock shall be paid in full upon the consummation of a Qualified Initial Public Offering (as defined in Subsection 5.2 of this Section B of Article Third), at a Conversion Time (as defined in Subsection 4.3.1 of this Part B of Article Third) or other Series A Mandatory Conversion Time (as defined in Subsection 5.1 of this Part B of Article Third).

1.2 Deferral of Dividends upon Conversion. In the event of the conversion of all of the outstanding Series A Preferred Stock (other than in connection with a Qualified Initial Public Offering or a Deemed Liquidation Event), and the holders of the Series A Preferred Stock being converted do not elect to receive PIK Shares for the Accruing Dividend then due and payable, and at such time, in the judgment of the Board of Directors (excluding the Series A Directors) the Corporation lacks sufficient cash resources, and ability to generate cash resources through reasonable efforts upon reasonable terms, to pay the Accruing Dividend in cash in full without materially adversely affecting the Corporation's ability to manage its business in accordance with past practices, then the Corporation shall pay the Accruing Dividend in cash to the extent of cash resources which are available or which can be so generated, and the balance of the Accruing Dividend shall be deferred for twelve (12) months, bearing interest at 8% per annum, at which time the entire deferred portion of the Accruing Dividend shall be payable in full.

1.3 Other Dividends Payable on Series A Preferred Stock. In addition to the Accruing Dividend payable pursuant to Section 1.1 of Part B of this Article Third, the holders of the Series A Preferred Stock shall also be entitled to receive dividends paid out of funds legally available for that purpose in the same amounts and on the same terms as any dividends declared by the Board and paid on the Corporation's Common Stock and any such dividend payable on each share of the Series A Preferred Stock shall be calculated on an as converted basis, based on the number of shares of Common Stock into which such share of Series A Preferred Stock could be converted on the record date for such dividend.

1.4 Other Dividends. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Series A Preferred Stock and not previously paid which the holders of Series A Preferred Stock may, at their option, accept as PIK Shares consistent with Subsection 1.1 of this Article Third and (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock as would equal the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the Series A Original Issue Price; provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock dividend.

1.5 Series Original Issue Price. For purposes of this Article Third, the "Series A Original Issue Price" shall mean [\$12.7848899] per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series A Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, each holder of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share of Series A Preferred Stock equal to the Series A Original Issue Price plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon. If upon any such liquidation, dissolution or winding up of the Corporation, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they

shall be entitled under this Subsection 2.1, the holders of shares of Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Series A Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of the shares of Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of the Certificate of Incorporation immediately prior to such dissolution, liquidation or winding up of the Corporation. The aggregate amount which a holder of a share of Series A Preferred Stock is entitled to receive under Subsections 2.1 and 2.2 is hereinafter referred to as the "Series A Liquidation Amount."

2.3 Deemed Liquidation Events.

2.3.1 Definition. Each of the following events shall be considered a "Deemed Liquidation Event" unless the holders of a Requisite Majority of the Series A Preferred Stock elect otherwise by written notice sent to the Corporation prior to the effective date of any such event:

- (a) a merger, consolidation, conversion, share exchange or issuance of securities in which
 - (i) the Corporation is a constituent party or
 - (ii) a subsidiary of the Corporation is a constituent party, and the Corporation issues shares of its capital stock pursuant to such transaction,

except any such merger, consolidation, conversion, share exchange or issuance of securities involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power (1) of the capital stock of the surviving or resulting corporation, or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, of the capital stock of the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this Subsection 2.3.1, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger

or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if a substantial portion of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "Merger Agreement") or other transaction document provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within sixty (60) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Series A Preferred Stock no later than the sixth-fifth (65th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following Clause (ii) to require the redemption of such shares of Series A Preferred Stock, and (ii) if the holders of a Requisite Majority of the Series A Preferred Stock so request in a written instrument delivered to the Corporation not later than ninety (90) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board), together with any other assets of the Corporation available for distribution to its stockholders (the "Available Proceeds"), to the extent legally available therefor, on the one hundred twentieth (120th) day after such Deemed Liquidation Event (the "Liquidation Redemption Date"), to redeem all outstanding shares of Series A Preferred Stock at a price per share equal to the Series A Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Series A Preferred Stock, the Corporation shall redeem a pro rata portion of each holder's shares of Series A Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and

taking into account the provisions relating to the liquidation preference of such shares of Series A Preferred Stock set forth in Subsections 2.1 and 2.2, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Written notice of the redemption (the "**Liquidation Redemption Notice**") shall be sent to each holder of record of Series A Preferred Stock not less than twenty (20) days prior to the Liquidation Redemption Date. The Liquidation Redemption Notice shall state the number of shares of Series A Preferred Stock held by the holder that the Corporation shall redeem on the Liquidation Redemption Date specified in the Liquidation Redemption Notice, the Liquidation Redemption Date, the amount due, if any, with respect to each outstanding share of Series A Preferred Stock, pursuant to this Subsection 2.3.2(b) (the "**Redemption Price**"), the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1) and that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed. On or before the Liquidation Redemption Date, each holder of shares of Series A Preferred Stock to be redeemed on such Liquidation Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Liquidation Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. If the Liquidation Redemption Notice shall have been duly given, and if on the applicable Liquidation Redemption Date the applicable Redemption Price payable upon redemption of such shares of Series A Preferred Stock to be redeemed on such Liquidation Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor, then notwithstanding that the certificates evidencing any of the shares of Series A Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after such Liquidation Redemption Date and all rights with respect to such shares shall forthwith after the Liquidation Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefore. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

(c) Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other

entity. The value of such property, rights or securities shall be determined in good faith by the Board.

2.3.3 Allocation of Escrow. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or is payable to the stockholders of the Corporation subject to contingencies, the Merger Agreement shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any additional consideration which becomes payable to the stockholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction.

3. Voting.

3.1 General. (a) On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter; provided however that the holders of Series A Preferred Stock shall have no right to vote on the election of the Common Directors, as set forth in Subsection 3.2 below unless such holders have converted their Series A Preferred Stock into Common Stock. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Series A Preferred Stock shall vote together with the holders of Common Stock as a single class.

(b) As to any matter hereunder requiring the consent or approval or other action of a "**Requisite Majority of the Series A Preferred Stock**", such term means the approval or consent of the holders of no less than 75% of the Shares of Series A Preferred Stock outstanding at the date of such action.

3.2 Election of Directors. The Board shall consist of five (5) members, except as otherwise approved by a Requisite Majority of the Series A Preferred Stock. For so long as there are any shares of Series A Preferred Stock outstanding, the holders of record of the Series A Preferred Stock shall be entitled to elect two (2) directors of the Corporation (the "**Series A Directors**"), as follows: the holders of a majority of the outstanding Series A Preferred Stock originally issued to ABS Capital Partners V LP, ABS Capital Partners V-A, L.P. and ABS Capital Partners V-A Offshore, L.P. shall be entitled to elect one director (the "**ABS Director**") and the holders of a majority of the outstanding Series A Preferred Stock originally issued to Antares Capital Fund IV Limited Partnership and Antares Capital Fund IV Parallel Limited Partnership

shall be entitled to elect one director (the "**Antares Director**"). The holders of record of the shares of Common Stock (excluding for such purpose, the holders of Series A Preferred Stock) shall be entitled to elect two (2) directors of the Corporation, one of which shall be the Chief Executive Officer of the Corporation (the "**Common Directors**"). The remaining member of the Board shall be elected by the approving vote of each of (i) the holders of record of a majority of the outstanding Common Stock and (ii) the holders of a Requisite Majority of the Series A Preferred Stock (the "**Independent Director**"). Except to the extent provided otherwise in any written agreement among the Corporation, the holders of a Requisite Majority of the Series A Preferred Stock and other holders of the Corporation's capital stock, the following provisions shall apply to the election and service of directors: Any director elected as provided in this Subsection may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or classes or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors pursuant to this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock and/or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class or classes as set forth above. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a that number (but no less than a majority) of the outstanding shares of the class or classes or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or classes or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

3.3 Series A Preferred Stock Protective Provisions. So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment to the Certificate of Incorporation, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a Requisite Majority of the Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) together as a single class:

(a) liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any Deemed Liquidation Event, or consent to any of the foregoing;

(b) amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

(c) purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series A Preferred Stock as expressly authorized herein and (ii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof;

(d) create, or authorize the creation of, or issue, or authorize the issuance of any equity security (or any securities exercisable for or convertible into equity securities), or permit any subsidiary to take any such action with respect to any security;

(e) create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Corporation, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of a substantial portion of the assets of such subsidiary;

(f) permit there to be any liens, encumbrances or security interests on any of the Corporation's assets other than with respect to such permitted indebtedness or those incurred in the ordinary course of business;

(g) make any investments other than investments in certificates of deposit in any United States bank having a net worth in excess of \$100,000,000 or obligations issued or guaranteed by the United States of America, in each case having a maturity not in excess of one year;

(h) incur any indebtedness for borrowed money, issue any debt or guaranty any obligation of any other entity or person in all such cases, either individually or in the aggregate, in an amount greater than \$500,000;

(i) increase or decrease the authorized number of directors constituting the Board;

(j) enter into any transaction or series of transactions with, or loan money to, any of the Corporation's or any subsidiary's stockholders, directors, officers or affiliates thereof;

(k) form, acquire, or contribute capital or other assets to, or cause the Corporation to make loans to, any subsidiary, joint venture or other entity;

(l) create, or authorize the creation of, or issue or obligate itself to issue shares of any additional class or series of capital stock, increase the authorized number of shares of Series A Preferred Stock or increase the authorized

number of shares of any additional class or series of capital stock, other than shares of Common Stock issued or deemed issued to employees, directors or consultants of the Company pursuant to a plan, agreement or arrangement that approved by a Requisite Majority of the Series A Preferred Stock;

(m) change the principal business of the Company, enter into new lines of business or exit the current line of business of the Company;

(n) hire, terminate or change the compensation of the executive officers of the Company or make any changes to the option plan of the Company;

(o) sell, transfer, license, pledge or encumber technology or intellectual property, other than licenses granted in the ordinary course of business;

(p) amend, alter or appeal Subsection 3.3 hereof; or

(q) enter into any transaction or series of transactions that result in a Deemed Liquidation Event.

4. Optional Conversion.

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

4.1 Right to Convert.

4.1.1 Conversion Ratio. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the Series A Conversion Price in effect at the time of conversion. The "Series A Conversion Price" shall initially be equal to [\$12.7848899]. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Termination of Conversion Rights. In the event of a notice of redemption of any shares of Preferred Stock pursuant to Section 6, the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the redemption price is not fully paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding

the date fixed for the payment of any such amounts distributable on such event to the holders of Series A Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such aggregate conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Series A Preferred Stock to voluntarily convert shares of Series A Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Series A Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, the certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, issue and deliver to such holder of Series A Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof, and a certificate for the number (if any) of the shares of Series A Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, and cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and payment of any declared but unpaid dividends (including any Accruing Dividends) on the shares of Series A Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock including sufficient shares to allow for the PIK Shares and the Series A Participation Value; 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 including sufficient shares to allow for the PIK Shares and the Series A Participation Value, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Series A Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Series A Conversion Price.

4.3.3 Effect of Conversion. All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon and, if applicable, all Accruing Dividends, whether or not declared. Any shares of Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation shall thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Series A Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount

of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Prices for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Third, the following definitions shall apply:

(a) "Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "Original Issue Date" shall mean the date on which the first share of Series A Preferred Stock was issued.

(c) "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than the following shares of Common Stock, and shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (collectively "Exempted Securities"):

- (i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Series A Preferred Stock;
- (ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;
- (iii) up to an aggregate of One Hundred Thirteen Thousand Four Hundred Thirteen (113,413) shares of Common Stock or Options out of the reserved shares of Common Stock issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board, including in such Board Approval the affirmative votes of the Series A Directors;

- (iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security; or
- (v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, pursuant to a debt financing or equipment leasing transaction approved by the Board, including in such Board Approval the affirmative votes of the Series A Directors.

4.4.2 No Adjustment of Conversion Prices. No adjustment in the Series A Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a Requisite Majority of the Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise,

conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Series A Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Series A Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this Clause (b) shall have the effect of increasing the Series A Conversion Price to an amount which exceeds the lower of (i) the Series A Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Series A Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Series A Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be

calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Series A Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Series A Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Prices Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series A Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Series A Conversion Price in effect immediately prior to such issue, then the Series A Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined as follows:

- (i) In the event the date of such issue is on or before September 30, 2010 (unless such issue occurs after the Corporation has issued, after the Original Issue Date and before September 30, 2010, additional shares of Preferred Stock at a per share purchase price greater than the initial Series A Preferred Conversion Price for gross consideration to the Corporation of no less than \$4,000,000) at less than the then applicable Series A Conversion Price, then the Series A Conversion Price shall be adjusted to be the consideration per share applicable to such issue; and
- (ii) In all other cases, in accordance with the following formula:

$$CP_2 = CP_1 * ((A + B) \div (A + C)).$$

For purposes of the foregoing formula, the following definitions shall apply:

(b) "CP₂" shall mean the Series A Conversion Price in effect immediately after such issue of Additional Shares of Common Stock

(c) "CP₁" shall mean the Series A Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(d) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(e) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been

issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(f) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5. Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

- (i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
- (ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board; and
- (iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in Clauses (i) and (ii) above, as determined in good faith by the Board.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing

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

Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

- (ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Series A Conversion Price pursuant to the terms of Subsection 4.4.4 then, upon the final such issuance, the Series A Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Series A Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Series A Conversion Price in

or merger, each share of Series A Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series A Preferred Stock to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Series A Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series A Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Series A Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation; any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series A Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization,

reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Series A Preferred Stock Trigger Events. Upon either (a) a Qualified Initial Public Offering or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a Requisite Majority of the Series A Preferred Stock (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Series A Mandatory Conversion Time**"), (i) all outstanding shares of Series A Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate and (ii) such shares may not be reissued by the Corporation; provided that, in addition to the shares of Common Stock to which the holders of Series A Preferred Stock shall be entitled thereunder, there shall be issuable to such holders that additional number of shares of Common Stock as shall have a value equal to the product of the Series A Original Issue Price times the number of Series A Preferred Stock then being converted (the "**Series A Participation Value**").

5.2 Qualified Initial Public Offering. As used in this Article Third, a "**Qualified Initial Public Offering**" shall mean the closing of the sale of shares of Common Stock to the public at a per share price (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock) equating to a pre-offering valuation of the Corporation of at least \$200,000,000, in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$40,000,000 of gross proceeds, net of the underwriting discount and commissions, to the Corporation.

5.3 Procedural Requirements. All holders of record of shares of Series A Preferred Stock shall be sent written notice of the Series A Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Series A Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such

certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock converted pursuant to Subsection 5.1, except for the right of the holders of the Series A Preferred Stock to receive unpaid Accruing Dividends accruing on and prior to the Series A Mandatory Conversion Time (including Accruing Dividends payable to the holders of Series A Preferred Stock in shares of Series A Preferred Stock) which the Corporation shall pay at the Series A Mandatory Conversion Time, but including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Series A Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), in each case except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next two sentences of this Subsection 5.3. As soon as practicable after the Series A Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment, in cash or with shares of Series A Preferred Stock (which shall also be deemed to be subject to such mandatory conversion) of any declared but unpaid dividends (including any undeclared Accruing Dividends) on the shares of Series A Preferred Stock converted. All shares of Series A Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation shall thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

6. Redemption.

6.1 Certain Definitions.

(a) "Book Value" at any date shall mean the net assets of the Corporation, consisting of the amount of the total assets of the Corporation reflected in the balance sheet as at the end of the most recently completed fiscal year (the "Base Year") included in the Corporation's audited or other regularly prepared financial statements for such fiscal year, minus the total liabilities of the Corporation reflected in such balance sheet.

(b) "Discounted Cash Value" shall mean six (6) times EBITDA for the most recently completed fiscal year, adjusted for cash and debt in accordance with standard and customary adjustments to determine enterprise value.

(c) "EBITDA" shall mean the earnings of the Corporation for the most recently completed fiscal year, determined in accordance with generally accepted accounting principles applied on a basis consistent with prior periods, without giving effect to any deduction for interest, taxes, depreciation or amortization and excluding all extraordinary items, all as reflected in the Corporation's audited or other regularly prepared financial statements for such fiscal year;

(d) "Fair Market Value" as applied to the determination of the Series A Redemption Price (as hereinafter defined) shall mean the fair market value of the outstanding shares of the Series A Preferred Stock as determined by appraisal. The Corporation (acting through its Board, without the participation of the Series A Directors) shall select one (1) independent appraiser and the holders of a Requisite Majority of the Series A Preferred Stock to be redeemed shall select one (1) independent appraiser and such appraisers shall designate a third independent appraiser. Each of the three (3) appraisers shall provide a determination of the fair market value of the Series A Preferred Stock within twenty (20) days after the appointment of the third appraiser and such fair market value shall be deemed to be an amount equal to the average of the amounts determined by such appraisers and such determination shall be conclusive, final and binding on all holders of the Series A Preferred Stock being redeemed and the Corporation and shall be enforceable in any court having any jurisdiction over a proceeding brought to seek enforcement; provided that in the event that the highest appraisal is more than fifteen percent (15%) higher than the median appraisal or the lowest appraisal is more than fifteen percent (15%) lower than the median appraisal, such higher or lower appraisal or both, as the case may be, shall be disregarded in determining such fair market value. In determining the fair market value of the Series A Preferred Stock, such determination shall be made (i) taking into account the liquidation and dividend preferences and the all of the rights and privileges of the Series A Preferred Stock, (ii) without any reduction in value for lack of control or the inherent lack of liquidity of non-public minority interests and (iii) giving full effect to the earnings history and prospects of the Corporation.

6.2 Series A Redemption. Shares of Series A Preferred Stock shall be redeemed by the Corporation from time to time out of funds lawfully available therefor at a price equal to the highest of (a) Fair Market Value, (b) Book Value and (c) the Discounted Cash Value (the "Series A Redemption Price") as of the date of the applicable Redemption Request, at any time on or after April 30, 2013, after receipt by the Corporation of written notice (a "Redemption Request") requesting redemption of shares of Series A Preferred Stock from the holders of a Requisite Majority of the Series A Preferred Stock on a date (the "Series A Redemption Date") no less than ninety (90) days after the date of the Redemption Request. On the Series A Redemption Date, the Corporation shall redeem all or a portion of the outstanding Series A Preferred Stock at the Series A Redemption Price according to the following schedule:

(a) If the date of the Redemption Request is on or after April 30, 2013 and prior to April 30, 2014, up to one-third (1/3) of the Shares of Series A Preferred Stock outstanding on the Series A Redemption Date in the amount specified in the Redemption Request;

(b) If the date of the Redemption Request is on or after April 30, 2014, and prior to April 30, 2015, up to an aggregate amount equal to (i) two-thirds (2/3) of the Shares of Series A Preferred Stock outstanding on the date of the initial Redemption Request, less (ii) the number of Shares of Series A Preferred Stock previously redeemed by the Corporation; and

(c) If the date of the Redemption Request is on or after April 30, 2015, up to all of the Shares of Series A Preferred Stock remaining outstanding, as specified in the Redemption Request.

The holders of the Series A Preferred Stock may issue any number of Redemption Requests at any time on or after April 30, 2013, each such Redemption Request to specify the number of Shares of Series A Preferred Stock to be redeemed on the applicable Redemption Date specified in such Request. All Shares of Preferred Stock to be redeemed on any Redemption Date shall be redeemed pro rata from each holder of outstanding Series A Preferred Stock, except to the extent such holder shall have converted such Shares to be redeemed on such date to Common Stock as provided in Section 6.4.

If the Corporation does not have sufficient funds legally available to redeem on a Series A Redemption Date all shares of Series A Preferred Stock to be redeemed, the Corporation shall redeem a pro rata portion of each holder's redeemable shares of such capital stock out of funds legally available therefor, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the legally available funds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor.

6.3 Company Redemption Notice. The Company shall send written notice of the receipt of Redemption Request (the "Company **Redemption Notice**") to each holder of record of Series A Preferred Stock not less than sixty (60) days prior to each Redemption Date. Each Company Redemption Notice shall state:

(a) the number of shares of Series A Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Company Redemption Notice;

(b) the Redemption Date and the Redemption Price;

(c) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1); and

(d) that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Series A Preferred Stock to be redeemed.

6.4 Surrender of Certificates; Payment. On or before the applicable Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Company Redemption Notice, and thereupon the applicable Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder.

6.5 Rights Subsequent to Redemption. If the Company Redemption Notice shall have been duly given, and if on the applicable Redemption Date the applicable Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor.

7. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock ~~that~~ are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

8. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of a Requisite Majority of the Series A Preferred Stock then outstanding.

9. Notices. Any notice required or permitted by the provisions of this Article Third to be given to a holder of shares of Series A Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission."

**ARTICLE VII
EFFECTIVE DATE**

The merger shall become effective upon filing the articles of merger with the Florida Secretary of State.

ISO GROUP, INC.

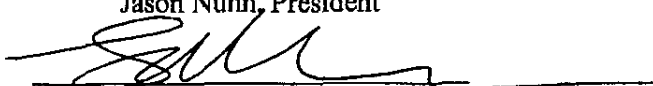
By: 

Jason Nunn, President

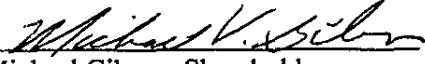
ISO COMPONENTS, INC.

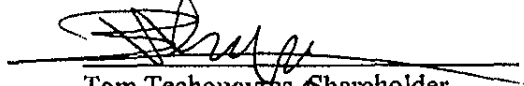
By: 


Jason Nunn, President


Jason Nunn, Shareholder


Douglas Hayes, Shareholder


Michael Gibson, Shareholder


Tom Techoueyres, Shareholder


Alex Techoueyres, Shareholder