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BASIC AMENDMENT
CROSS MATCH TECHNOLOGIES, INC.

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TALLAHASSEE, FLORIDA

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FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

November 2, 2000

CROSS MATCH TECHNOLOGIES, INC.
3960 RCA BLVD
SUITE 6001
PALM BEACH GARDENS, FL 33410US

SUBJECT: CROSS MATCH TECHNOLOGIES, INC.
REF: P96000007116

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

The amendment must be signed by an incorporator if adopted by the incorporators or by a director if adopted by the directors.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6880.

Karen Gibson
Corporate Specialist

FAX Aud. #: H00000057632
Letter Number: 900A00057050

*attached -
Thank you*

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

**ARTICLES OF AMENDMENT
TO
RESTATED ARTICLES OF INCORPORATION
OF
CROSS MATCH TECHNOLOGIES, INC.**

Pursuant to the provisions of Section 607.1006 of the Florida Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Restated Articles of Incorporation filed June 5, 1997, as amended by Articles of Amendment filed October 14, 1998 and Articles of Amendment filed February 24, 2000:


First: The name of the corporation is Cross Match Technologies, Inc.

Second: The amendment to the Restated Articles of Incorporation, as amended, is as follows: ARTICLE 7A, as set forth on Exhibit A hereto, is hereby inserted into the Restated Articles of Incorporation of the Corporation, as amended.

Third: The foregoing amendment of the Restated Articles of Incorporation, as amended, was adopted by a majority of the Corporation's directors at a telephonic meeting held on October 31, 2000. The amendment contained in these Articles of Amendment did not require the approval of the shareholders of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment to the Restated Articles of Incorporation, as amended, on this 31st day of October, 2000, and does hereby certify that the facts stated in these Articles of Amendment to the Restated Articles of Incorporation, as amended, are true and correct.

CROSS MATCH TECHNOLOGIES, INC.

By: 
Name: G. F. Carver
Title: President and Director

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EXHIBIT A**ARTICLE 7A - DESIGNATION OF SERIES A CONVERTIBLE PREFERRED STOCK**

7A.1 Designation. The designation of the first series of Preferred Shares is "Series A Convertible Preferred Stock" (hereinafter in this Article 7A called the "Series A Preferred Stock") and the number of shares constituting such series shall be 2,500,000, which number may be increased or decreased by the Board of Directors without a vote of shareholders; provided, however, that such number may not be decreased below the number of then currently outstanding shares of Series A Preferred Stock, plus shares issuable upon the exercise of any then outstanding options, warrants or rights to acquire Series A Preferred Stock. All capitalized terms used in this Article 7A and not otherwise defined shall have the meaning given to such terms in Section 7A.12 hereof.

7A.2 Dividends.

(a) The holders of shares of Series A Preferred Stock, in preference to the holders of all Junior Securities, shall be entitled to receive when, as and if declared by the Board of Directors out of funds legally available for the purpose, cumulative dividends as provided in this Section 7A.2. Dividends on each share of Series A Preferred Stock shall be payable in cash and shall accrue at the Dividend Rate on the Purchase Price from the date of issuance thereof (the "Series A Dividends" and, the sum of the Purchase Price and the Series A Dividends is referred to herein as the "Series A Preference Amount"). Such dividends will not be compounded and will be calculated in arrears on December 31 of each year (each a "Dividend Date") in respect of the prior twelve-month period prorated on a daily basis for partial periods. Such dividends shall commence to accrue on each share of Series A Preferred Stock from the date of issuance thereof whether or not declared by the Board of Directors, and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends, and shall continue to accrue thereon until the earlier of (i) the conversion of the Series A Preferred Stock to Common Stock or (ii) the date on which the Series A Preference Amount is paid in full in cash in connection with the liquidation of the Corporation.

(b) Except as otherwise provided herein, if at any time the Corporation pays less than the total amount of dividends then accrued with respect to the Series A Preferred Stock, such payment shall be distributed ratably among the holders of Series A Preferred Stock based upon the aggregate accrued but unpaid dividends on the Series A Preferred Stock held by each holder.

(c) Without the consent of the holders of the Requisite Percentage, so long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not (i) declare, pay or set apart for payment any dividends or make any other distribution, except in accordance with Section 7A.2(d) below, at a time when all preferential dividends under Section 7A.2(a) shall not have been paid in full in cash; or (ii) redeem any Junior Securities (other than stock dividends and distributions in the nature of a stock split or the like) and will not permit any Subsidiary or other affiliate to redeem, purchase or otherwise acquire for value, or set apart for any sinking or other analogous fund for the redemption or purchase of, any Junior Securities.

(d) In addition to the Series A Dividends, the holders of Series A Preferred Stock shall be entitled to participate in all dividends (other than stock dividends in the nature of a stock split or the like) that are declared and paid on Common Stock on the same basis as if all of the Series A Preferred Stock had been converted to Common Stock in accordance with this Article 7A.

7A.3 Liquidation Preference.

(a) Upon any liquidation, dissolution or winding up of the affairs of the Corporation, either voluntarily or involuntarily, each holder of Series A Preferred Stock shall be entitled, after provision for the payment of the Corporation's debts and other liabilities, to be paid in cash in full, before any distribution is made on any Junior Securities, an amount in cash (the "**Liquidation Amount**") equal to the greater of (i) Series A Preference Amount or (ii) the Common Equivalent Amount. If, upon any such liquidation, dissolution or other winding up of the affairs of the Corporation, the net assets of the Corporation distributable among the holders of all outstanding Series A Preferred Stock shall be insufficient to permit the payment of the Liquidation Amount in full, then the entire net assets of the Corporation remaining after the provision for the payment of the Corporation's debts and other liabilities shall be distributed among the holders of the Series A Preferred Stock ratably in proportion to the full preferential amounts to which they would otherwise be respectively entitled on account of their Series A Preferred Stock. Upon any such liquidation, dissolution or winding up of the Corporation, after the holders of Series A Preferred Stock shall have been paid in full the preferential amounts to which they shall be entitled to receive on account of their Series A Preferred Stock, the remaining net assets of the Corporation shall be distributed to the other shareholders of the Corporation as their respective interests may appear.

(b) Consolidation, Merger, etc. A Sale of the Corporation shall be deemed to constitute a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 7A.3. Any reorganization of the Corporation required by any court or administrative body in order to comply with any provision of law shall be deemed to be an involuntary liquidation, dissolution or winding up of the Corporation unless the preferences, qualifications, limitations, restrictions and special or relative rights granted to the holders of Series A Preferred Stock are not adversely affected by such reorganization. Notwithstanding the foregoing, a Sale of the Corporation of the Corporation shall be deemed a liquidation, dissolution or winding up of the Corporation for the purposes of this Section 7A.3 only if the holders of the Requisite Percentage vote in favor of such Sale of the Corporation.

(c) Holders of Series A Preferred Stock shall not be entitled to any distribution in excess of the Liquidation Amount in the event of any liquidation, dissolution or winding up of the affairs of the Corporation.

7A.4 Voting. Except as otherwise required by law and or as provided herein and subject to the rights of any class or series of capital stock of the Corporation that hereafter may be issued in compliance with the terms of this Article 7A, the shares of the Series A Preferred Stock shall vote together with the shares of Common Stock at any annual or special meeting of shareholders of the Corporation, or may act by written consent in the same manner as the Common Stock, upon the following basis: each holder of shares of Series A Preferred Stock shall be entitled to such number of votes for the Series A Preferred Stock held by such holder on the record date

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fixed for such meeting, or on the effective date of such written consent, as shall be equal to the whole number of shares of Common Stock into which such holder's shares of Series A Preferred Stock are convertible in accordance with this Article 7A, immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent. Notwithstanding the foregoing, the holders of shares of Series A Preferred Stock shall vote as a separate class on any matter adversely affecting the Series A Preferred Stock; provided, however, that the authorization or issuance of (i) additional shares of Common Stock or Series A Preferred Stock or (ii) other securities having liquidation, dividend, voting or other rights junior to, or on a parity with, the Series A Preferred Stock shall not be treated as adversely affecting the Series A Preferred Stock.

7A.5 Conversion Rights.

(a) Conversion Procedure.

(i) At any time and from time to time, any holder of Series A Preferred Stock shall have the right, at its option, to convert all or any portion of the shares of Series A Preferred Stock (including any fraction of a share) held by such holder into a number of shares of fully paid and nonassessable Common Stock computed by dividing the Purchase Price by the Conversion Price in effect on the Conversion Date.

(ii) Each conversion of Series A Preferred Stock shall be deemed to have been effected as of the close of business on the effective date of such conversion specified in a written notice (the "Conversion Date"); provided, however, that the Conversion Date shall not be a date earlier than the date such notice is so given, and if such notice does not specify a conversion date, the Conversion Date shall be deemed to be the date such notice is given to the Corporation. On the Conversion Date, the rights of the holder of such Series A Preferred Stock as such holder (including the right to receive dividends) shall cease and the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

(iii) As soon as practicable after the Conversion Date (but in any event within ten (10) business days after the holder has delivered the certificates (or affidavits of lost certificate) evidencing the shares of Series A Preferred Stock converted into shares of Common Stock in accordance herewith), the Corporation shall deliver to the converting holder:

(x) a certificate or certificates representing, in the aggregate, the number of shares of Common Stock issued upon such conversion, in the same name or names as the certificates representing the converted shares and in such denomination or denominations as the converting holder shall specify and a check for cash with respect to any fractional interest in a share of Common Stock as provided in clause (vii) of this Section 7A.5(a); and

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(y) a certificate representing any shares that were represented by the certificate or certificates delivered to the Corporation in connection with such conversion but that were not converted.

(iv) The issuance of certificates for shares of Common Stock upon conversion of Series A Preferred Stock shall be made without charge to the holders of such Series A Preferred Stock for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Common Stock. Upon conversion of any shares of Series A Preferred Stock, the Corporation shall take all such actions as are necessary in order to insure that the Common Stock so issued upon such conversion shall be validly issued, fully paid and nonassessable.

(v) The Corporation shall not close its books against the transfer of Series A Preferred Stock or of Common Stock issued or issuable upon conversion of Series A Preferred Stock in any manner that interferes with the timely conversion of Series A Preferred Stock. The Corporation shall assist and cooperate with any holder of shares of Series A Preferred Stock required to make any governmental filings or obtain any governmental approval prior to or in connection with any conversion of shares of Series A Preferred Stock hereunder (including, without limitation, making any filings required to be made by the Corporation).

(vi) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of issuance upon the conversion of the Series A Preferred Stock, such number of shares of Common Stock as are issuable upon the conversion of all outstanding Series A Preferred Stock. All shares of Common Stock that are so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges. The Corporation shall take all such actions as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Common Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Corporation upon each such issuance).

(vii) No fractional shares of Common Stock or script shall be issued upon conversion of shares of the Series A Preferred Stock. If the same holder shall surrender for conversion more than one share of Series A Preferred Stock at any one time, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series A Preferred Stock so surrendered. Instead of any fractional shares of Common Stock that would otherwise be issuable upon conversion of any shares of Series A Preferred Stock, the Corporation shall pay a cash adjustment in respect of such fractional interest equal to the fair market value of such fractional interest as determined by the Corporation's Board of Directors.

(viii) Upon conversion of any shares of Series A Preferred Stock pursuant to this Section 7A.5(a), payment of accumulated and unpaid dividends on such shares shall be waived, and such dividends shall no longer be due and payable to the holders of Series A Preferred Stock.

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(b) Conversion Price. The initial conversion price shall be equal to the Purchase Price, which may be adjusted from time to time hereafter (the "Conversion Price"). If and whenever on or after the original date of issuance of the Series A Preferred Stock the Corporation issues or sells, or in accordance with Section 7A.5(c) is deemed to have issued or sold, any shares of its Common Stock, or Convertible Securities for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale, then upon such issue or sale, the Conversion Price shall be reduced to an amount determined by dividing (i) the sum of (A) the product derived by multiplying (1) the Conversion Price in effect immediately prior to such issue or sale times (2) the number of shares of Common Stock Deemed Outstanding immediately prior to such issue or sale, plus (B) the consideration, if any, received (or deemed received pursuant to Section 7A.5(c)(ii) below) by the Corporation upon such issue or sale, by (ii) the number of shares of Common Stock Deemed Outstanding immediately after such issue or sale.

(c) Effect on Conversion Price of Certain Events. For purposes of determining the adjusted Conversion Price under this Section 7A.5, the following shall be applicable:

(i) Issuance of Convertible Securities. If the Corporation in any manner issues or sells any Convertible Securities (other than Excluded Securities), whether or not the rights to exercise, exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such exercise, conversion or exchange is less than the Conversion Price in effect immediately prior to the time of such issue or sale, then the maximum number of shares of Common Stock issuable upon exercise, conversion or exchange of such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock is issuable" shall be determined by dividing (A) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the cumulative minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the exercise, conversion or exchange thereof and, if applicable, the exercise, conversion and exchange of any other Convertible Securities that such Convertible Securities may be converted into or exchanged for, by (B) the total maximum number of shares of Common Stock issuable upon the exercise, conversion or exchange of all such Convertible Securities. No further adjustment of the Conversion Price shall be made when Common Stock and, if applicable, any other Convertible Securities, are actually issued upon the exercise, conversion or exchange of such Convertible Securities.

(ii) Change in Exercise Price or Conversion Rate. If the additional consideration payable to the Corporation upon the exercise, conversion or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into exercisable or exchangeable for Common Stock changes at any time, the Conversion Price in effect at the time of such change shall be readjusted to the Conversion Price that would have been in effect at such time had such Convertible Securities that are still outstanding provided for such changed additional consideration or changed conversion rate, as the case may be, at the time such Convertible Securities were initially granted, issued or sold; but only if as a result of such adjustment the Conversion Price then in effect hereunder is thereby reduced; and on the termination date of any right to exercise, convert or exchange such Convertible Securities the Conversion Price then in effect hereunder

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shall be increased to the Conversion Price that would have been in effect at the time of such termination had such Convertible Securities, to the extent outstanding immediately prior to such termination, never been issued.

(iii) Exceptions for Excluded Securities. Notwithstanding the foregoing, no adjustments shall be made under this Section 7A.5(c) with respect to the issuance of any Excluded Securities.

(d) Subdivision or Combination of Common Stock. If the Corporation at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately reduced, and conversely, in the event the outstanding shares of Common Stock shall be combined (by reverse stock split or otherwise) into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased. In any such event, the numbers, percentages, computations and the like in this Article 7A shall be deemed modified as necessary, mutatis mutandis, to give appropriate effect to such subdivision or combination.

(e) Certain Events. If an event not specified in this Section 7A.5 occurs that has an economic effect on the Series A Preferred Stock that is substantially similar to those specifically enumerated, then this Section 7A.5 shall be construed liberally, mutatis mutandis, in order to give the Series A Preferred Stock the intended benefit of the protections provided under this Section 7A.5. In such event, the Corporation's Board of Directors shall make an appropriate adjustment in the Conversion Price so as to protect the rights of the holders of Series A Preferred Stock; provided that no such adjustment shall increase the Conversion Price as otherwise determined pursuant to this Section 7A.5 or decrease the number of shares of Common Stock issuable upon conversion of each share of Series A Preferred Stock.

(f) Notices.

(i) Immediately upon any adjustment of the Conversion Price, the Corporation shall give written notice thereof to all holders of Series A Preferred Stock, setting forth in reasonable detail and certifying the calculation of such adjustment.

(ii) The Corporation shall give written notice to all holders of Series A Preferred Stock at least twenty (20) days prior to the date on which the Corporation closes its books or takes a record (A) with respect to any dividend or distribution upon Common Stock, (B) with respect to any pro rata subscription offer to holders of Common Stock or (C) for determining rights to vote with respect to any dissolution or liquidation.

(g) Mandatory Conversion. Each outstanding share of Series A Preferred Stock shall automatically be converted into fully paid and nonassessable shares of Common Stock of the Corporation on the basis set forth in this Article 7A immediately upon the (i) consummation of a Qualified IPO or (ii) election of the holders of the Requisite Percentage to convert their shares into Common Stock. Holders of shares of Series A Preferred Stock so converted may deliver to the Corporation at its principal office (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to such holders) during its usual business hours, the certificate or certificates for the shares so converted. As promptly as practicable

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thereafter, the Corporation shall issue and deliver to such holder a certificate or certificates for the number of whole shares of Common Stock to which such holder is entitled, together with any cash dividends and payment in lieu of fractional shares to which such holder may be entitled pursuant to this Section 7A.5. Until such time as a holder of shares of Series A Preferred Stock shall surrender its certificate or certificates therefor as provided above, such certificates shall be deemed to represent the shares of Common Stock to which such holder shall be entitled upon the surrender thereof. Upon conversion of any shares of Series A Preferred Stock pursuant to this Section 7A.5(g), payment of accumulated and unpaid dividends on such shares shall be waived, and such dividends shall no longer be due and payable to the holders of Series A Preferred Stock.

7A.6 Status of Reacquired Shares. Shares of Series A Preferred Stock that have been issued and reacquired in any manner shall (upon compliance with any applicable provisions of the laws of the State of Florida) have the status of authorized and unissued shares of Series A Preferred Stock issuable in series undesignated as to series and may be redesignated and reissued.

7A.7 Exclusion of Other Rights. Except as may otherwise be required by law or provided by contract, the shares of Series A Preferred Stock shall not have any preferences or relative, participating, optional or other special rights, other than those specifically set forth in this Article 7A.

7A.8 Rank. The Series A Preferred Stock shall rank senior in right as to dividends and upon liquidation, dissolution or winding up to all Junior Securities, whenever issued.

7A.9 Identical Rights. Each share of the Series A Preferred Stock shall have the same relative rights and preferences as, and shall be identical in all respects with, all other shares of the Series A Preferred Stock.

7A.10 Certificates. So long as any shares of the Series A Preferred Stock are outstanding, there shall be set forth on the face or back of each stock certificate issued by the Corporation a statement that the Corporation shall furnish without charge to each shareholder who so requests, a full statement of the designation and relative rights, preferences and limitations of each class of stock or series thereof that the Corporation is authorized to issue and of the authority of the Board of Directors to designate and fix the relative rights, preferences and limitations of each series.

7A.11 Amendments. Any provision of these terms of the Series A Preferred Stock may be amended, modified or waived if and only if the holders of the Requisite Percentage have consented in writing or by an affirmative vote to such amendment, modification or waiver of any such provision of this Article 7A.

7A.12 Definitions.

"Affiliate or affiliates" means with respect to any Person, any other Person that would be considered to be an affiliate of the Corporation under Rule 144(a) of the Rules of Regulations of the Securities and Exchange Commission, as in effect on the date hereof, if the Corporation were issuing securities.

"Closing Date" means the date of the Corporation's signature on the most recent Subscription Agreement for the purchase of Series A Preferred Stock.

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"Common Equivalent Amount" means the amount that would be received by the holders of Series A Preferred Stock on an as-converted basis upon a Sale of the Corporation or reorganization if the holders of Series A Preferred Stock had converted the shares of Series A Preferred Stock into shares of Common Stock prior to the closing of the Sale of the Corporation.

"Common Stock" means the Corporation's Common Stock, \$.01 par value.

"Common Stock Deemed Outstanding" means, at any given time, the number of shares of Common Stock actually outstanding at such time, plus the number of shares of Common Stock issuable upon conversion of the Series A Preferred Stock outstanding at such time, plus the number of shares of Common Stock issuable upon the exercise in full of all Convertible Securities outstanding at such time whether or not the Convertible Securities are convertible into or exercisable or exchangeable for, Common Stock at such time.

"Conversion Price" has the meaning set forth in Section 7A.5(b) hereof.

"Convertible Securities" means securities or obligations that are exercisable for, convertible into or exchangeable for shares of Common Stock. The term includes options, warrants or other rights to subscribe for or purchase Common Stock or to subscribe for or purchase other securities or obligations that are directly or indirectly convertible into or exchangeable for Common Stock.

"Dividend Date" has the meaning set forth in Section 7A.2(a) hereof.

"Dividend Rate" means the rate of 6% per annum, not compounded annually.

"Excluded Securities" means any (a) securities offered to the public pursuant to a Qualified IPO; (b) shares or options for capital stock issued to employees, consultants to the Corporation or its Subsidiaries and directors pursuant to stock option or executive incentive ownership plans approved by the Corporation's Board of Directors and the shares issuable upon exercise of such options; (c) shares of Common Stock issuable upon the conversion of the Series A Preferred Stock, warrants or other securities outstanding as of the Closing Date that are exercisable for or convertible into Common Stock; (d) shares of Common Stock that may be issued and shares of Common Stock issuable upon exercise of warrants that may be granted in connection with the acquisition of other companies or assets; and (e) any shares of capital stock issued to the Corporation's shareholders in connection with any stock split, stock dividend or recapitalization.

"Junior Securities" means any of the Corporation's Common Stock and all other equity securities of the Corporation, other than the Series A Preferred Stock and any other Preferred Shares that (a) by their terms, state that they are not Junior Securities or provide the holders thereof with rights on a parity with or senior to those of the holders of Series A Preferred Stock and, (b) are approved for issuance in compliance with these Articles of Incorporation.

"Liquidation Amount" has the meaning set forth in Section 7A.3(a) hereof.

"Person" means an individual, partnership, corporation, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof.

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"Purchase Price" of any share of Series A Preferred Stock shall be \$7.00.

"Qualified IPO" means an underwritten initial public offering by the Corporation (i) pursuant to which the Common Stock is listed on a United States national stock exchange or quoted on the Nasdaq National Market System or a successor thereto, (ii) that is underwritten by a lead underwriter that is either acceptable to the holders of the Requisite Percentage or is a nationally recognized investment banking firm and (iii) that results in gross proceeds to the Corporation of at least \$20,000,000.

"Requisite Percentage" means as of any time, more than 50% of the Series A Preferred Stock outstanding at that time, except that, with respect to any amendment to this Article 7A (other than upon a merger or consolidation) that (a) reduces the Series A Preference Amount, (b) reduces the dividend rate provided in Section 7A.2(a) or (c) amends this definition, Requisite Percentage means 67%.

"Sale of the Corporation" means (a) any sale, exchange, conveyance or other disposition of the capital stock of the Corporation in a transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the Corporation is disposed of or shifts (**"Change of Control"**); (b) any merger, consolidation, reorganization or similar transaction that results in a Change of Control; or (c) a sale of all or substantially all of the assets of the Corporation.

"Series A Preference Amount" has the meaning set forth in Section 7A.2(a)

"Series A Preferred Stock" means the Corporation's Series A Convertible Preferred Stock, \$.01 par value, as in effect on the date hereof.

"Subscription Agreement" means that certain Subscription and Purchase Agreement between the Corporation and each investor who is a party thereto, which is dated as of the Corporation's signature on the Counterpart Signature Page attached to such agreement, as it may be amended from time to time.

"Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons shall be allocated a majority of partnership, association or other business entity gains or losses or shall be or control the managing general partner of such partnership, association or other business entity.

7A.13 Severability of Provisions. If any right, preference or limitation of the Series A Preferred Stock set forth in this Article 7A (as such Article 7A may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule, law or public

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policy, all other rights preferences and limitations set forth in this Article 7A (as so amended) which can be given effect without implicating the invalid, unlawful or unenforceable right, preference or limitation shall, nevertheless, remain in full force and effect, and no right, preference or limitation herein set forth shall be deemed dependent upon any other right, preference or limitation unless so expressed herein.

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