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ACCOUNT NO. : 072100000032

REFERENCE : 479060 4303929

AUTHORIZATION :

COST LIMIT : \$ 35.00

FILED  
99 NOV 12 PM 3:02  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

ORDER DATE : November 11, 1999

ORDER TIME : 2:53 PM

ORDER NO. : 479060-010

CUSTOMER NO: 4303929

000003043420--3

CUSTOMER: Ms. Stacey L. Swaye  
Greenberg Traurig, P.a.  
1221 Brickell Avenue  
21st Floor  
Miami, FL 33131

DOMESTIC AMENDMENT FILING

NAME: TECHNICAL TRAINING  
CONSULTANTS, INC.

EFFECTIVE DATE: \_\_\_\_\_  
\*\*\*\*\*FILE SECOND\*\*\*\*\*

XX ARTICLES OF AMENDMENT  
\_\_\_\_ RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

\_\_\_\_ CERTIFIED COPY  
XX PLAIN STAMPED COPY  
\_\_\_\_ CERTIFICATE OF GOOD STANDING

RECEIVED  
99 NOV 12 PM 3:48  
DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS  
TALLAHASSEE, FLORIDA

G. COULLETTE NOV 15 1999

CONTACT PERSON: Angie Glisar

EXAMINER'S INITIALS: \_\_\_\_\_

**AMENDED AND RESTATED**  
**ARTICLES OF INCORPORATION**  
**OF**  
**TECHNICAL TRAINING CONSULTANTS, INC.**

Original Articles of Incorporation  
filed with the Secretary of State of the State of Florida  
on March 14, 1996.

**FILED**  
**99 NOV 12 PM 3:02**  
**SECRETARY OF STATE**  
**TALLAHASSEE, FLORIDA**

Pursuant to the requirements of Sections 607.1006 and 607.1007 of the Florida Business Corporation Act, the undersigned hereby certifies, attests and serves notice that the text of the Articles of Incorporation is hereby amended and restated to read in its entirety as follows:

**ARTICLE I**

**Name**

The name of the corporation is TECHNICAL TRAINING CONSULTANTS, INC. (the "Corporation"), and the principal office of the Corporation is 321 North University Drive, Suite 5, Plantation, Florida 33324.

**ARTICLE II**

**Purposes**

The Corporation shall engage in any activity or business permitted under the laws of the United States and the State of Florida.

**ARTICLE III**

**Registered Agent and Office**

The name and address of the registered agent of the Corporation is George Baldwin, 321 North University Drive, Suite 5, Plantation, Florida 33324.

## ARTICLE IV

### Capital Stock

The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 33,000,000 shares, which shall consist of (i) 30,000,000 shares of common stock having a par value of \$0.001 per share ("Common Stock"), and (ii) 3,000,000 shares of preferred stock having a par value of \$0.001 per share, all of which have been designated as set forth below as shares of a series of Preferred Stock denominated as Series A Preferred Stock. The following is a description of the limitations and relative rights of the respective classes of authorized capital stock and a statement of the designations, preferences, voting powers (or no voting powers), relative, participating, optional or other special rights and privileges and the qualifications, limitations and restrictions of the Series A Preferred Stock.

For the purposes of the following description of the limitations and relative rights of the Series A Preferred Stock, the following terms shall have the meanings specified:

*"Affiliate"* shall mean, as to any Person, any other Person that directly or indirectly controls, or is under common control with, or is controlled by, such Person and, if such Person is an individual, the spouse and any parent, child, sibling and brother-, sister-, and parent-in-law of such individual, any trust whose principal beneficiary is such individual or one or more members of such individual's immediate family and any Person who is controlled by any such member or trust. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of the subject Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise). "Person" shall mean any natural person, corporation, firm, association, or any other entity, whether in an individual, fiduciary or other capacity.

*"Authorized Option Plan or Agreement"* shall mean any *bona fide* employee stock option plan created in accordance with Section 422 of the Internal Revenue Code of 1986, as amended, or similar subsequent legislation or any non-statutory stock option plan or non-statutory stock option agreement with terms substantially similar to such statutory plan, provided that any such non-statutory stock option plan or agreement provides that any options thereunder not be granted at an exercise price of less than the fair market value of the stock into which they are exercisable.

*"Board of Directors"* shall mean the board of directors of the Corporation.

*"Common Stock"* shall mean the common stock, \$0.001 par value per share, of the Corporation.

*"Conversion Price"* shall have the meaning provided in Section 4.E.(1) hereof.

*"Conversion Rate"* shall have the meaning provided in Section 4.E.(1) hereof.

*"Corporation"* shall mean Technical Training Consultants, Inc., a Florida corporation.

*"Covenant Event of Default"* shall mean the failure by the Corporation to perform any covenant contained in these Designations (including, without limitation, the protective provisions

of Section 4.G) or contained in the Stock Purchase Agreement that is not cured by the Corporation within thirty (30) days after written notice of such failure (the date of which shall be deemed to be the expiration of such 30-day period without cure) by the holders of a majority of the shares of Series A Preferred Stock.

*"Designations"* shall mean the terms, preferences, limitations and relative rights of the Series A Preferred Stock established hereby and set forth in this Section 4.

*"EBITDA"* means, in respect of the Corporation for any period of determination thereof, determined in accordance with generally accepted accounting principles, consistently applied, the sum of (a) the net profit (or loss), (b) interest and taxes, and (c) depreciation and amortization of assets and (d) the amount of all the fees and expenses described in Sections 2.2.3 and 8.7 of the Stock Purchase Agreement and the legal fees and reasonable expenses of counsel to the Corporation in defending and settling the litigation described in Section 7.3.15 of the Stock Purchase Agreement, minus extraordinary, nonrecurring gain.

*"Fair Market Value"* shall mean:

(i) in the case of securities for which a public market exists as to the twenty (20) trading days preceding the date as of which valuation is required, the average of (A) each day's closing prices regular way for such securities as reported by the exchange on which traded, if any, (B) if such securities are not traded on an exchange, each day's closing sale price for such securities as reported by the Nasdaq Stock Market, or (C) if such securities are not traded on such exchange or market, each day's closing prices regular way for such securities as reported by a national securities exchange on which such securities are traded or each day's mean of the closing bid and ask prices for such securities as reported by Nasdaq, wherever the average trading volume over such period is higher; and

(ii) in the case of securities for which no public market exists, an amount equal to the current fair market value of such securities as determined jointly by the Corporation and the holders of a majority of the shares of Series A Preferred Stock. If such parties are unable to reach agreement within a reasonable period of time, such fair value shall be determined by an appraisal conducted in accordance with the procedures described in Section 4.D, except that the term "Electing Holders" appearing therein shall refer to the holders of such majority and the term "Appraised Value" appearing therein shall refer to such fair value for purposes of this definition.

*"Invested Amount"* per share of Series A Preferred Stock shall mean \$1.29 with respect to shares of such stock originally issued on the Original Issue Date and, with respect to any shares of such stock originally issued thereafter, the issue price per share thereof (as adjusted for changes in the Series A Preferred Stock by stock split, stock dividend, or the like occurring after the Original Issue Date).

*"Issue Date"* means the date on which the shares of Series A Preferred Stock in question were issued by the Corporation pursuant to the Stock Purchase Agreement.

*"Liquidation"* shall have the meaning specified in Section 4.B.

*"New Securities"* shall have the meaning specified in Section 4.F.

"*Ordinary Dividends*" shall mean any dividends declared in accordance with Section 4.A(1).

"*Original Issue Date*" shall mean the date on which any shares of Series A Preferred Stock are first actually issued by the Corporation.

"*Post Covenant Default Dividend*" shall have the meaning specified in Section 4.A(3).

"*Post Redemption Date Dividend*" shall have the meaning specified in Section 4.A(2).

"*Preferred Directors*" shall have the meaning provided in Section 4.C.

"*Qualified Public Offering*" shall mean the underwritten offer and sale of Common Stock to the public at a public offering price per share of not less than three (3) times the Invested Amount and have aggregate net proceeds to the Corporation of no less than \$30,000,000.

"*Redemption Date*" shall have the meaning provided in Section 4.D.

"*Redemption Exercise Date*" shall mean the date that is the fifth (5th) anniversary of the Original Issue Date.

"*Sale or Merger*" means any of the following: (w) the merger, reorganization or consolidation of the Corporation or such subsidiary or subsidiaries of the Corporation the assets of which constitute all or substantially all the assets of the business of the Corporation and its subsidiaries taken as a whole *into* or *with* another company in which the shareholders of the Corporation or such subsidiaries immediately preceding such merger, reorganization or consolidation (solely by virtue of their shares or other securities of the Corporation or such subsidiaries) shall beneficially own less than fifty percent (50%) of the voting securities of the surviving or acquiring corporation; (x) the sale, transfer or lease (but not including a transfer or lease by pledge or mortgage to a *bona fide* lender), whether in a single transaction or pursuant to a series of related transactions, of all or substantially all of the assets of the Corporation, whether pursuant to a single transaction or a series of related transactions or plan (which assets shall include for these purposes fifty percent (50%) or more of the outstanding voting interests of such of the Corporation's subsidiaries the assets of which constitute all or substantially all of the assets of the Corporation and its subsidiaries taken as a whole) to any entity fifty percent (50%) or more of the voting securities of which are not beneficially owned by all or substantially all of the individuals and entities that were the beneficial owners of the Corporation's voting securities immediately prior to such transactions; (y) the sale, transfer or lease (but not including a transfer or lease by pledge or mortgage to a *bona fide* lender), whether in a single transaction or pursuant to a series of related transactions, of all or substantially all of the assets of such of the Corporation's subsidiaries the assets of which constitute all or substantially all of the assets of the Corporation and such subsidiaries taken as a whole to any entity fifty percent (50%) or more of the voting securities of which are not beneficially owned by all or substantially all of the individuals and entities that were the beneficial owners of the Corporation's voting securities immediately prior to such transactions; or (z) the sale or transfer, whether in a single transaction or pursuant to a series of related transactions, of securities of the Corporation such that all holders of securities of the Corporation that are entitled to vote by virtue of holding such securities with respect to matters generally that are voted on by shareholders of the Corporation

(and not any matter requiring an additional class or other special vote; collectively, the "Corporation's Voting Power") immediately prior to such transaction or series of related transactions beneficially own securities of the Corporation that constitute less than fifty percent (50%) of the Corporation's Voting Power. For purposes of this definition, beneficial ownership shall have the meaning ascribed to such term under the rules and regulations promulgated under the federal Securities Exchange Act of 1934, as amended, but in any event shall include the power to vote the securities in question.

*"Securities Act"* shall mean the federal Securities Act of 1933, as amended.

*"Series A Preferred Stock"* shall mean the 3,000,000 shares of Series A Preferred Stock, \$0.01 par value per share, hereby designated.

*"Stock Purchase Agreement"* shall mean the Stock Purchase Agreement dated on or about November 12, 1999, by and between the Corporation and Wachovia Capital Associates, Inc., as amended from time to time.

*"Warranty Event of Default"* shall mean a breach by the Corporation of any of its representations or warranties made by the Corporation in the Stock Purchase Agreement that remains in effect as provided therein and that is false or misleading in any respect that would have been material to a reasonable investor's decision to make the investment provided for therein.

A. Dividend Rights.

(1) Subject to Section 4.G(1)(b), should the Corporation declare the payment of a dividend on the Common Stock other than a dividend payable in shares of Common Stock, it shall, at the same time, declare the payment of a dividend on the Series A Preferred Stock, wherein the amount of cash and property to be received as a dividend by the holder of a share of Series A Preferred Stock in respect of such share shall equal the then outstanding Conversion Rate times the amount of cash and property to be received as a dividend by the holder of a share of Common Stock in respect of such share, and, subject to the following proviso, such dividends shall be paid at the same time, to the holders of Series A Preferred Stock and of Common Stock; *provided, however*, that the rights of the holders of Series A Preferred Stock to receive dividends that have been declared in respect of Series A Preferred Stock shall be prior and in preference to the right of the holders of Common Stock to receive dividends which have been declared in respect of Common Stock.

(2) In addition, following the Redemption Date, the holders of shares of Series A Preferred Stock remaining outstanding shall be entitled to receive dividends per share at a per annum rate equal to three percent (3%) per annum, compounded quarterly, on the Invested Amount of such share, prior and in preference to any declaration of payment of any dividend on the Common Stock or any other series of Preferred Stock that is junior to the Series A Preferred Stock (the "Post Redemption Date Dividend"). The Post Redemption Date Dividend shall commence on the first day succeeding the Redemption Date and shall be payable on the last day of each calendar quarter thereafter, and shall accrue to the extent not paid currently, whether or not declared by the Board of Directors of the Corporation.

(3) In addition, upon the occurrence of a Covenant Event of Default, the holders of outstanding shares of Series A Preferred Stock shall be entitled to receive dividends per share

at a per annum rate equal to eighteen percent (18%) per annum, compounded quarterly, on the Invested Amount of such share, prior and in preference to any declaration of payment of any dividend on the Common Stock or any other series of Preferred Stock that is junior to the Series A Preferred Stock until the earlier to occur of the redemption of such share of Series A Preferred Stock and the first anniversary of the date of the Covenant Event of Default; whereupon such dividend shall cease to accrue or be payable (the "Post Covenant Default Dividend"). The Post Covenant Default Dividend shall commence on the first day succeeding the date on which the Covenant Event of Default exists and shall be payable on the last day of each calendar quarter thereafter, whether or not declared by the Board of Directors of the Corporation, until such date on which such Covenant Event of Default is cured or such share of Series A Preferred Stock ceases to be outstanding.

B. Liquidation Preference.

(1) In the event of:

(a) any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, or such of the Corporation's subsidiaries the assets of which constitute all or substantially all the assets of the business of the Corporation and its subsidiaries taken as a whole (a "Liquidation"), or

(b) a Sale or Merger, unless the holders of the Series A Preferred Stock have elected by a vote of at least two-thirds (66-2/3%) of the total number of shares of such series outstanding, voting separately as a class, to exclude such Sale or Merger from the application of this Section 4.B (in which case this Section 4.B shall not apply to such transaction),

the holders of shares of Series A Preferred Stock then issued and outstanding shall be entitled to receive at the closing thereof, in exchange for and in redemption of such shares by reason of their ownership thereof, before any payment shall be made to the holders of shares of the Common Stock and the holders of any other shares or series of capital stock ranking junior to the Series A Preferred Stock by reason of their ownership thereof:

(i) in the case of a Liquidation, from any funds legally available for distribution to shareholders; or

(ii) in the case of a Sale or Merger, from the net proceeds therefrom (defined for these purposes to mean the proceeds, whether cash, securities or other property, available for distribution to the shareholders, payable to the shareholders, or into which shares of stock of the Corporation are to be converted by reason of the Sale or Merger); and

that portion of such funds or proceeds equal to a fraction, (x) the numerator of which is the number of votes to which the holder of such share of Series A Preferred Stock is entitled by virtue of holding such share with respect to matters generally that are voted on by stockholders of the Corporation and (y) the denominator of which is the aggregate of the number of votes to which all holders of Series A Preferred Stock and Common Stock and any other class or series of stock of the Corporation are entitled to vote by virtue of holding such shares with respect to matters generally that are voted on by shareholders of the Corporation (and not any matter requiring an additional class or other special vote); *provided, however*, that notwithstanding the

foregoing, the amount payable to such holder of a share of Series A Preferred Stock shall not be less than, and shall be increased if necessary (with sums payable to holders of Common Stock to be reduced ratably per share as necessary) to equal, the Invested Amount, *plus* a per annum amount computed from the Issue Date of such share of Series A Preferred Stock to the date of such Liquidation or Sale or Merger equal to (i) the sum of (x) twelve percent (12%), compounded quarterly, of the Invested Amount, prorated for any partial year, (y) the aggregate amount of all Ordinary Dividends remaining unpaid on such share from the Issue Date thereof and (z) one-third (1/3) of the amounts representing all Post Covenant Default Dividends, if any, on such share remaining unpaid *less* (ii) two-thirds (2/3) of the amounts representing all Post Covenant Default Dividends, if any, on such share that have been actually paid.

(2) To the extent necessary, the Corporation shall cause such actions to be taken by any of its subsidiaries so as to enable the proceeds of a Liquidation or a Sale or Merger to be distributed to the holders of shares of Series A Preferred Stock in accordance with this Section 4.B. All the preferential amounts to be paid to the holders of the Series A Preferred Stock under this Section 4.B shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any assets of the Corporation to, the holders of the Common Stock or any class or series of stock of the Corporation ranking junior to the Series A Preferred Stock in connection with a Liquidation or a Sale or Merger as to which this Section 4.B applies.

If, upon any Liquidation or Sale or Merger of the Corporation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of Series A Preferred Stock and the holders of any other series of Preferred Stock of the Corporation with a liquidation preference equal to the liquidation preference of the Series A Preferred Stock the full amounts to which they shall respectively be entitled, the holders of shares of the Series A Preferred Stock and the holders of any other series of Preferred Stock of the Corporation with a liquidation preference equal to the liquidation preference of the Series A Preferred Stock shall receive all of the assets of the Corporation available for distribution and each such holder of shares of Series A Preferred Stock and the holders of any other series of Preferred Stock of the Corporation with a liquidation preference equal to the liquidation preference of Series A Preferred Stock shall share ratably in any distribution in accordance with the amounts due such shareholders.

(3) After payment shall have been made to the holders of shares of Series A Preferred Stock of the full amount to which they shall be entitled, as aforesaid, the holders of shares of Series A Preferred Stock shall be entitled to no further distributions thereon and the holders of shares of Common Stock and of shares of any other class or series of stock of the Corporation shall be entitled to share, according to their respective rights and preferences, in all remaining assets of the Corporation available for distribution to its shareholders.

(4) Any securities to be delivered to the holders of the Series A Preferred Stock pursuant to this Section 4.B as a consequence of a Sale or Merger shall be valued at their Fair Market Value.

(5) In the event the requirements of this Section 4.B with respect to a Sale or Merger are not complied with, the Corporation shall forthwith either:

(a) cause such closing to be postponed until such time as the requirements of this Section 4.B have been complied with, or



(b) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Series A Preferred Stock shall revert to and be the same such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in the following paragraph.

(6) The Corporation shall give each holder of record of Series A Preferred Stock written notice of any impending Sale or Merger not later than twenty (20) days prior to the shareholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holder in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending Sale or Merger and the provisions of this Section 4.B, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of a majority of the then outstanding shares of the Series A Preferred Stock.

(7) The provisions of this Section 4.B are in addition to and not in limitation of the protective provisions of Section 4.E.

C. Voting Rights. Except as set forth specifically below, each holder of a share of the Series A Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such share of Series A Preferred Stock would be convertible under the circumstances described in Section 4.E hereof on the record date for the vote or consent of shareholders, and shall otherwise have voting rights and powers equal to the voting rights and powers of the Common Stock and shall vote with the holders of Common Stock as a single class; *provided, however,* that, so long as there remain outstanding at least twenty percent (20%) of the Series A Preferred Stock issued on the Original Issue Date, with respect to the election of directors (i) the holders of Series A Preferred Stock shall vote together as a single class to elect the number of members of the Board of Directors that, rounded to the nearest whole number (with one-half being rounded upward), is in the same proportion to the total number of members of the Board of Directors as the number of votes that holders of Series A Preferred Stock are entitled to cast by virtue of their ownership thereof bears to the total number of votes represented by the outstanding voting capital stock of the Corporation, and shall be at least one (collectively, the "Preferred Directors"), and (ii) the holders of Series A Preferred Stock shall vote together with the holders of Common Stock to elect the remaining members of the Board of Directors. Each holder of a share of the Series A Preferred Stock shall be entitled to receive the same prior notice of any shareholders' meeting as provided to the holders of Common Stock in accordance with the Bylaws of the Corporation, as well as prior notice of all shareholder actions initiated by the Board of Directors or an officer of the Company acting in such capacity to be taken by legally available means in lieu of meeting, and shall vote with holders of the Common Stock upon any matter submitted to a vote of shareholders, except those matters required by law, or by the terms hereof, to be submitted to a class vote of the holders of Series A Preferred Stock. Fractional votes shall not, however, be permitted, and any fractions shall be disregarded in computing voting rights.

D. Redemption of Series A Preferred Stock.

(1) At any time (a) after the occurrence of the Redemption Exercise Date, (b) during the twelve (12)-month period after the occurrence of a Covenant Event of Default, or (c) during the twelve (12)-month period after the delivery of the written notice of a Warranty Event of Default that is described below, the holders of Series A Preferred Stock may, at the option of such holders, elect, by a consent of at least a majority of the total number of shares of such series outstanding, to cause a redemption of all or a portion of the Series A Preferred Stock and all shares of capital stock of the Corporation issued thereon as a dividend ("Dividend Shares"), by such holders (the "Electing Holders") notifying the Corporation by delivery of written notice or notices to the Corporation (the "Redemption Election Notice"). Upon the discovery by any holder of Series A Preferred Stock of a Warranty Event of Default, provided that such holder appreciates the false or misleading nature of the representation of warranty at issue, such holder shall give prompt written notice to the Corporation describing with reasonable particularity the breach of representation or warranty in question, following delivery of which the 12-month period described above shall commence. Any redemption right arising from the occurrence of the events described in clauses (b) and (c) above shall cease and such right shall terminate with respect to the particular breach in question following the expiration of the applicable 12-month period.

(2) The Corporation shall, within one hundred twenty (120) days of delivery of the Redemption Election Notice, redeem such amount of the Series A Preferred Stock and Dividend Shares set forth in such notice by paying in cash to the holders thereof in respect of each such share the Series A Redemption Price or Dividend Share Redemption Price as defined below, as applicable (the date on which such redemption becomes mandatory being hereinafter referred to as the "Redemption Date"). The price payable for each redeemed share of Series A Preferred Stock (the "Series A Preferred Redemption Price") shall be equal to the Appraised Value (defined below) of each such share as of the date of the request for redemption; provided, however, that, notwithstanding the foregoing, the amount payable to such holder of a share of Series A Preferred Stock in redemption thereof shall not be less than, and shall be increased if necessary to equal, the Invested Amount *plus* a per annum amount for the period such share has been issued and outstanding equal to (i) the sum of (x) twelve percent (12%), compounded quarterly, of the Invested Amount, prorated for any partial year, (y) the aggregate amount of all Ordinary Dividends remaining unpaid on such share from the Issue Date thereof and (z) one-third (1/3) of the amounts representing all Post Covenant Default Dividends, if any, on such share remaining unpaid *less* (ii) two-thirds (2/3) of the amounts representing all Post Covenant Default Dividends, if any, on such share that have been actually paid. The price payable for each redeemed Dividend Share (the "Dividend Share Redemption Price") shall be the most recent issue price (if any) by the Corporation in an arm's-length transaction of a share of the identical class or series during the preceding sixty (60)-day period or, if no such issuance has occurred, the Appraised Value of such share.

The Appraised Value shall be the fair market value of the shares in question, as established by the Board of Directors in good faith following such request for redemption (which Appraised Value shall not include a discount for minority ownership interest or illiquidity), and each holder of the Series A Preferred Stock shall be notified in writing of such value at least eighty (80) days prior to the first scheduled redemption. If, however, any Electing Holder or Holders owning at least twenty percent (20%) of the outstanding shares of Series A Preferred Stock shall give the Corporation written notice at least sixty (60) days prior to the first scheduled redemption that he, it or they disagree with the value placed upon the share of Series A Preferred Stock or Dividend Share, as applicable, then the Electing Holders and the Corporation shall

attempt to agree upon an Appraised Value. Should the Electing Holders and the Corporation be unable to agree during the twenty (20)-day period immediately following the giving of the written notice of such disagreement as to the Appraised Value without the employment of appraisers, then they shall each select an appraiser experienced in the business of evaluating or appraising the market value of stock. The appraisers so selected (the "Initial Appraisers") shall, on or prior to the scheduled redemption, appraise such shares to be redeemed as of the date of the scheduled redemption. The appraisers shall not discount the shares of Series A Preferred Stock or Dividend Shares, as applicable, for minority ownership interest or illiquidity. If the difference between the resulting appraisals is not greater than ten percent (10%), then the average of the appraisals shall be deemed the Appraised Value; otherwise, the Initial Appraisers shall select an additional appraiser (the "Additional Appraiser"), who shall be experienced in a manner similar to the Initial Appraisers. If they fail to select such Additional Appraiser as provided above, then either the Electing Holders or the Corporation may apply, after written notice to the other, to any judge of any court of general jurisdiction for the appointment of such Additional Appraiser. The Additional Appraiser shall then choose from the values determined by the Initial Appraisers the value that the Additional Appraiser considers closest to the fair market value of the Series A Preferred Stock or Dividend Shares, as applicable, and such value shall be the Appraised Value thereof. The Additional Appraiser shall forthwith give written notice of his determination to the Corporation and the Electing Holders. Each party shall pay the expenses and fees of the appraiser selected by him or it, and, if an Additional Appraiser is employed, the party who selected the Initial Appraiser whose value determination was rejected by the Additional Appraiser shall pay all the expenses and fees of the Additional Appraiser.

On or before the Redemption Date, each holder of shares required to be redeemed shall surrender the certificate representing such shares to be redeemed to the Corporation and shall receive payment of the Series A Preferred Redemption Price and (if applicable) the Dividend Share Redemption Price in cash. If fewer than all the shares represented by a surrendered certificate are to be redeemed, the Corporation shall issue a new certificate representing the unredeemed shares.

From and after the Redemption Date, unless there shall have been a default in payment of the Series A Preferred Redemption Price or (if applicable) the Dividend Share Redemption Price, all rights of the holders of shares of Series A Preferred Stock designated for redemption on such date (except the right to receive the Series A Preferred Redemption Price or Dividend Share Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Series A Preferred Stock and Dividend Shares on the date scheduled for a redemption are insufficient to redeem the total number of shares of Series A Preferred Stock and Dividend Shares to be redeemed on such date, those funds that are legally available shall be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series A Preferred Stock. The shares of Series A Preferred Stock or Dividend Shares not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein, including the dividends specified in Section 4.A of these Designations, to the extent payable thereunder. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred Stock or Dividend Shares, such funds shall immediately be used to redeem the balance of the shares that the Corporation has become obliged to redeem on any scheduled redemption date but that it has not redeemed.

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

(1) Conversion Rate. For purposes of this Section 4.E, the shares of Series A Preferred Stock shall be convertible, at the times and under the conditions described in this Section 4.E hereafter, at the rate (the "Conversion Rate") of one share of Series A Preferred Stock to the number of shares of Common Stock that equals the quotient obtained by dividing the Invested Amount by the Conversion Price (defined hereinafter). Thus, the number of shares of Common Stock to which a holder of Series A Preferred Stock shall be entitled upon any conversion provided for in this Section 4.E shall be the product obtained by multiplying the Conversion Rate by the number of shares of Series A Preferred Stock being converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the shares of Series A Preferred Stock to be converted in accordance with the procedures described in Subsection 4.E.(4) below. The "Conversion Price" shall be equal to the Invested Amount, except as otherwise adjusted as provided hereafter in this Section 4.E. The initial Conversion Rate shall be one share of Series A Preferred Stock for one share of Common Stock.

(2) Optional. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for the Series A Preferred Stock, into Common Stock at the then effective Conversion Rate.

(3) Automatic.

(a) The outstanding Series A Preferred Stock shall automatically convert into Common Stock at the then effective Conversion Rate upon the earliest to occur of: (x) the election by the holders of at least two-thirds (66-2/3%) of the then outstanding shares of Series A Preferred Stock by delivery of written notice or notices to the Corporation or (y) the conversion of at least two-thirds (66-2/3%) of the originally issued Series A Preferred Stock in one or more transactions. Each and every outstanding share of Series A Preferred Stock held by all holders of Series A Preferred Stock (whether or not so electing) shall automatically be converted into Common Stock at the then effective Conversion Rate pursuant to the events described in this Subsection 4.E.(3). Such conversion shall be deemed to have been made immediately prior to the close of business on the date of receipt of the last written notice referenced in clause (x) above necessary to effect such request by a majority of holders or the last conversion referenced in clause (y). Such conversion shall be automatic, without need for any further action by the holders of shares of Series A Preferred Stock and regardless of whether the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of Series A Preferred Stock so converted are surrendered to the Corporation in accordance with the procedures described in Subsection 4.E.(4) below. Upon the conversion of the Series A Preferred Stock pursuant to this Subsection 4.E.(3), the Corporation shall promptly send written notice thereof, by registered or certified mail, return receipt requested and postage prepaid, by hand delivery or by overnight delivery, to each holder of record of Series A Preferred Stock at his or its address then shown on

the records of the Corporation, which notice shall state that certificates evidencing shares of Series A Preferred Stock must be surrendered at the office of the Corporation (or of its transfer agent for the Common Stock, if applicable) in the manner described in Subsection 4.E.(4) below.

(b) The Corporation shall notify each holder of Series A Preferred Stock at least thirty (30) days prior to the anticipated effective date of a registration statement filed by the Corporation under the Securities Act covering a Qualified Public Offering. Upon the closing of, but effective as of immediately prior to, the first sale in a Qualified Public Offering, each and every share of outstanding Series A Preferred Stock held by all holders of Series A Preferred Stock shall automatically be converted into Common Stock at the then effective Conversion Rate. Such conversion shall be automatic, without need for any further action by the holders of shares of Series A Preferred Stock and regardless of whether the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of Series A Preferred Stock so converted are surrendered to the Corporation in accordance with the procedures described in Subsection 4.E.(4) below. Upon the conversion of the Series A Preferred Stock pursuant to this Subsection 4.E.(3)(b), the Corporation shall promptly send written notice thereof, by registered or certified mail, return receipt requested and postage prepaid, by hand delivery or by overnight delivery, to each holder of record of Series A Preferred Stock at his or its address then shown on the records of the Corporation, which notice shall state that certificates evidencing shares of Series A Preferred Stock must be surrendered at the office of the Corporation (or of its transfer agent for the Common Stock, if applicable) in the manner described in Subsection 4.E.(4) below.

(c) No fractional shares of Common Stock shall be issued upon conversion of Series A Preferred Stock, and any shares of Series A Preferred Stock surrendered for conversion that would otherwise result in a fractional share of Common Stock shall be redeemed at the then effective Conversion Price per share, payable as promptly as possible when funds are legally available therefor.

(4) Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to receive certificates representing the shares of Common Stock into which shares of Series A Preferred Stock are converted in accordance with Subsections 4.E.(2) or 4.E.(3) above, such holder shall surrender the certificate or certificates for such shares of Series A Preferred Stock, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice to the Corporation at such office of the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued, if different from the name shown on the books and records of the Corporation. Said conversion notice shall also contain such representations as may reasonably be required by the Corporation to the effect that the shares to be received upon conversion are not being acquired and will not be transferred in any way that might violate the then applicable securities laws. The Corporation shall, as soon as practicable thereafter and in no event later than thirty (30) days after the delivery of said certificates, issue and deliver at such office to such holder of Series A Preferred Stock, or to the nominee or nominees of such holder as provided in such notice, a certificate or certificates for the number of shares of Common Stock to which

such holder shall be entitled as aforesaid. The person or persons entitled to receive the shares of Common Stock issuable upon a conversion pursuant to Subsections 4.E(2) or 4.E(3) shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of the effective date of conversion specified in such section. All certificates issued upon the exercise or occurrence of the conversion shall contain a legend governing restrictions upon such shares imposed by law or agreement of the holder or his or its predecessors.

(5) Adjustment for Subdivisions or Combinations of Common Stock. In the event the Corporation at any time or from time to time after the Original Issue Date effects a subdivision or combination of the outstanding Common Stock into a greater or lesser number of shares without a proportionate and corresponding subdivision or combination of the outstanding Series A Preferred Stock, then and in each such event the Conversion Price (and the corresponding Conversion Rate) shall be decreased or increased proportionately.

(6) Adjustments for Dividends, Distributions and Common Stock Equivalents. In the event that 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 additional shares of Common Stock or other securities or rights convertible into or entitling the holder thereof to receive additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder of such Common Stock Equivalents or the additional shares of Common Stock, and without a proportionate and corresponding dividend or other distribution to holders of Series A Preferred Stock, then and in each such event the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents shall be deemed, for purposes of this Subsection 4.E(6), to be issued and outstanding 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. In each such event the Conversion Price 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 Conversion Price by a fraction,

(a) the numerator of which shall be the total number of shares of Common Stock issued and outstanding or deemed to be issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and

(b) the denominator of which shall be the total number of shares of Common Stock (x) issued and outstanding or deemed pursuant to the terms hereof to be issued and outstanding (not including any shares described in clause (y) immediately below), immediately prior to the time of such issuance or the close of business on such record date, plus (y) the number of shares of Common Stock issuable in payment of such dividend or distribution or upon such conversion or exercise of such Common Stock Equivalents;

*provided, however,* that (u) 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 Conversion Price (and the corresponding Conversion Rate) shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price (and the corresponding Conversion Rate) shall be adjusted pursuant to this Subsection 4.E(6) as of the time of actual payment of such dividend or distribution; or (v)

if such Common Stock Equivalents provide, with the passage of time or otherwise, for any decrease in the number of shares of Common Stock issuable upon conversion or exercise thereof (or upon the occurrence of a record date with respect thereto), the Conversion Price (and the corresponding Conversion Rate) computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such decrease becoming effective, be recomputed to reflect such decrease insofar as it affects the rights of conversion or exercise of the Common Stock Equivalents then outstanding; or (w) upon the expiration of any rights of conversion or exercise under any unexercised Common Stock Equivalents, the Conversion Price (and the corresponding Conversion Rate) computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if the only additional shares of Common Stock issued were the shares of such stock, if any, actually issued upon the conversion or exercise of such Common Stock Equivalents; or (x) in the event of issuance of Common Stock Equivalents that expire by their terms not more than sixty (60) days after the date of issuance thereof, no adjustments of the Conversion Price (or the corresponding Conversion Rate) shall be made until the expiration or exercise of all such Common Stock Equivalents, whereupon the adjustment otherwise required by this Subsection 4.E(6) shall be made in the manner provided herein.

(7) Adjustment of Conversion Rate for Diluting Issues. Except as otherwise provided in this Subsection 4.E(7), in the event, and each time as, the Corporation sells or issues any Common Stock or Common Stock Equivalents following the Original Issue Date, at a per share consideration (calculated as provided below) less than the then current Fair Market Value per share of Common Stock (the "Lower New Issue Price"), then the Conversion Price shall be adjusted as provided in this Subsection 4.E(7), and the Conversion Rate shall be appropriately adjusted. For purposes of the foregoing, the Lower New Issue Price with respect to the sale or issuance of a share of Common Stock shall be the price per share received by the Corporation, prior to the payment of any expenses, commissions, discounts and other applicable costs. With respect to the sale or issuance of Common Stock Equivalents that are convertible into or exchangeable for Common Stock without further consideration, the Lower New Issue Price shall be determined by dividing the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable with respect to such Common Stock Equivalents into the aggregate consideration received by the Corporation upon the sale or issuance of such Common Stock Equivalents. With respect to the issuance of other Common Stock Equivalents, the Lower New Issue Price shall be determined by dividing the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable with respect to such Common Stock Equivalents into the sum of (i) the total consideration received by the Corporation upon the sale or issuance of such Common Stock Equivalents plus (ii) the total consideration receivable by the Corporation upon the conversion or exercise of such Common Stock Equivalents (such sum being referred to hereinafter as the "Aggregate Net Consideration" of the Common Stock Equivalents). The issuance of Common Stock or Common Stock Equivalents for no consideration shall be deemed to be an issuance at a Lower New Issue Price of \$.01. In connection with the sale or issuance of Common Stock and/or Common Stock Equivalents for non-cash consideration, the amount of consideration constituting the Lower New Issue Price shall be determined by the Board of Directors of the Corporation in good faith.

As used herein, "Additional Shares of Common Stock" shall mean either shares of Common Stock issued, with respect to such adjustments to be made to the Conversion Price and the Conversion Rate, subsequent to the Original Issue Date, or, with respect to the issuance of Common Stock Equivalents, the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable in exchange for, upon conversion of, or upon exercise of such Common Stock Equivalents.

(a) Upon each issuance of Common Stock for a Lower New Issue Price, the Conversion Price as in effect on such date shall be adjusted by multiplying it by a fraction:

(i) the numerator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to the issuance of such Additional Shares of Common Stock *plus* the number of shares of Common Stock that the total consideration received by the Corporation for the issuance of such Additional Shares of Common Stock (including the Aggregate Net Consideration received by the Corporation with respect to Common Stock Equivalents relating thereto) would purchase at the Conversion Price then in effect; and

(ii) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to the issuance of such Additional Shares of Common Stock *plus* the number of shares of Common Stock so issued.

For the purposes of this Subsection 4.E(7)(a), the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (x) the number of shares of Common Stock actually outstanding, (y) the number of shares of Common Stock into which the then outstanding shares of Series A Preferred Stock could be converted if fully converted on the day immediately preceding the given date, and (z) the number of shares of Common Stock that could be obtained through the exercise or conversion of all other vested rights, options and convertible securities on the day immediately preceding the given date.

(b) Upon each issuance of Common Stock Equivalents that are exchangeable without further consideration into Common Stock, for a Lower New Issue Price, the Conversion Price shall be adjusted as provided in paragraph (a) of this Subsection 4.E(7) on the basis that the Additional Shares of Common Stock are to be treated as having been issued on the date of issuance of the Common Stock Equivalents, and the Aggregate Net Consideration received by the Corporation for such Common Stock Equivalents shall be deemed to have been received for such Additional Shares of Common Stock.

(c) Upon each issuance of Common Stock Equivalents other than those described in paragraph (b) of this Subsection 4.E(7) for a Lower New Issue Price, the Conversion Price shall be adjusted as provided in paragraph (a) of this Subsection 4.E(7) on the basis that the Additional Shares of Common Stock are to be treated as having been issued on the date of issuance of such Common Stock Equivalents, and the Aggregate Net Consideration received by the Corporation for



such Common Stock Equivalents shall be deemed to have been received for such Additional Shares of Common Stock.

(d) Once any Additional Shares of Common Stock have been treated as having been issued for the purpose of this Subsection 4.E(7), they shall be treated as issued and outstanding shares of Common Stock whenever any subsequent calculations must be made pursuant hereto; provided that on the expiration of any options, warrants or rights to purchase Additional Shares of Common Stock, the termination of any rights to convert or exchange for Additional Shares of Common Stock, or the expiration of any options or rights related to such convertible or exchangeable securities on account of which an adjustment in the Conversion Price has been made previously pursuant to this Subsection 4.E(7), such Conversion Price shall forthwith be readjusted to the Conversion Price as would have obtained had the adjustment made upon the issuance of such options, warrants, rights, securities or options or rights related to such securities been made upon the basis of the issuance of only the number of shares of Common Stock actually issued upon the exercise of such options, warrants or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(e) The foregoing notwithstanding, no adjustment of the Conversion Price and the Conversion Rate shall be made pursuant to this Subsection 4.E(7) as a result of the issuance of:

(i) any shares of Common Stock upon the conversion of shares of Series A Preferred Stock;

(ii) any securities offered to the public pursuant to a registration statement under the Securities Act;

(iii) securities issued pursuant to the acquisition by the Corporation of any product, technology, know-how or another corporation by merger, purchase of all or substantially all of the assets, or any other reorganization whereby the Corporation owns over fifty percent (50%) of the voting power of such corporation;

(iv) any shares of Common Stock pursuant to which the Conversion Price and the Conversion Rate are adjusted under Subsection (5) or (6) of this Section 4.E;

(v) any shares of Common Stock issued pursuant to the exchange, conversion or exercise of any Common Stock Equivalents that have previously been incorporated into computations hereunder on the date when such Common Stock Equivalents were issued;

(vi) any shares of Common Stock issued pursuant to exercise of the preemptive rights granted in Section 4.F hereof;

(vii) up to four hundred thousand (400,000) shares of Common Stock (which number shall be appropriately adjusted for any stock splits,

stock dividends, recapitalizations or similar events), issued at any time after the Original Issue Date pursuant to that certain option to purchase shares of Common Stock granted to Lee Finkelstein pursuant to that certain Shareholders Agreement dated August 20, 1999; options, warrants or rights that may be granted at any time after the Original Issue Date;

(viii) options, warrants, or rights that may be granted at any time after the Original Issue Date to purchase up to four hundred twenty thousand (420,000) shares of Common Stock (subject to adjustment), less the number of any such options, warrants or rights that are repurchased by the Corporation, are canceled or expire, in each case in favor of employees, directors, officers or consultants of the Corporation or any subsidiary thereof pursuant to an Authorized Option Plan or Agreement; or

(ix) any shares of Common Stock issued pursuant to exercise of the options, warrants or rights described in clause (viii) above.

(8) De Minimis Adjustments. No adjustment to the Conversion Price (and, thereby, the Conversion Rate) shall be made if such adjustment would result in a change in the Conversion Price of less than \$.01. Any adjustment of less than \$.01 that is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment that, on a cumulative basis, amounts to an adjustment of \$.01 or more in the Conversion Price.

(9) No Impairment. Except as provided in Section 4.G hereof, the Corporation shall not, by amendment of its Articles of Incorporation or Bylaws or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith assist in the carrying out of all the provisions of this Section 4.E and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock against impairment.

(10) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4.E, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and cause independent public accountants selected by the Corporation to verify such computation and prepare and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price and the Conversion Rate at that time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property that at that time would be received upon the conversion of Series A Preferred Stock.

(11) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities other than Series A Preferred Stock for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, any Common Stock Equivalents or any right to subscribe for, purchase or otherwise

acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Series A Preferred Stock, at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or rights, and the amount and character of such dividend, distribution or rights.

(12) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall be insufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation shall take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

F. Preemptive Rights. The holders of Series A Preferred Stock shall have the right of first refusal to purchase any New Securities (as defined in this Section 4.F) that the Corporation may, from time to time, propose to issue and sell. This right shall be subject to the following provisions:

(1) New Securities Defined. "New Securities" shall mean capital stock or equity securities or securities convertible or exchangeable for capital stock or equity securities of the Corporation (including any economic equivalent thereof), such as stock appreciation rights or "phantom" stock) in any transaction. Notwithstanding the foregoing, the term "New Securities" shall not include:

(i) shares of Common Stock issuable upon the conversion of shares of Series A Preferred Stock;

(ii) securities offered to the public pursuant to a registration statement under the Securities Act;

(iii) securities issued pursuant to the acquisition by the Corporation of any product, technology, know-how or another corporation by merger, purchase of all or substantially all of the assets, or any other reorganization whereby the Corporation owns over fifty percent (50%) of the voting power of such corporation;

(iv) shares of the Common Stock or Series A Preferred Stock issued in connection with any stock split, stock dividend or recapitalization by the Corporation;

(v) up to four hundred thousand (400,000) shares of Common Stock (which number shall be appropriately adjusted for any stock splits, stock dividends, capitalizations or similar events), issued at any time following the Original Issue Date pursuant to that certain option to purchase shares of Common Stock granted to Lee Finkelstein pursuant to that certain Shareholders Agreement dated August 20, 1999

(vi) options, warrants or rights that may be granted at any time after the Original Issue Date to purchase up to four hundred twenty thousand (420,000) shares of Common Stock (subject to such adjustment), less the number of any such options, warrants or rights that are repurchased by the Corporation, are canceled or expire, in each case in favor of employees, directors, officers or consultants of the Corporation or any subsidiary thereof pursuant to an Authorized Option Plan or Agreement;

(vii) any shares of Common Stock issued pursuant to exercise of the options, warrants or rights described in clause (vi) above; or

(viii) shares of Common Stock issuable under Common Stock Equivalents (as defined in Subsection 4.E(6) hereof) as to which the right of first refusal granted in this Section 4.F applied.

(2) Procedures. If the Corporation proposes to issue any New Securities, it shall give each holder of Series A Preferred Stock written notice of its intention, describing the type of New Securities, the price, the closing date of the offering thereof, and the general terms upon which the Corporation proposes to issue the same (the "Offer Notice"). Such holder shall be entitled at any time during the offering of the New Securities to purchase some or all of his or its *pro rata* portion of such New Securities for the price and upon the general terms specified in the Offer Notice, by giving, within twenty (20) days after receiving such notice from the Corporation, written notice to the Corporation of such election stating therein the quantity of New Securities he or it desires to purchase. For purposes of this Section 4.F, each holder's *pro rata* portion of New Securities shall be equal to a fraction, the numerator of which is the sum of

(i) the number of shares of Common Stock into which shares of Series A Preferred Stock held by such holder immediately prior to such issuance have been converted since the Original Issuance Date ("Conversion Shares"), and

(ii) the number of shares of Common Stock into which such holder's shares of Series A Preferred Stock could be converted if fully converted immediately prior to such issuance

and the denominator of which is the sum of

(y) the number of shares of Common Stock actually outstanding immediately prior to such issuance, and

(z) the number of shares of Common Stock into which the then outstanding shares of Series A Preferred Stock could be converted if fully converted immediately prior to such issuance.

The Corporation shall promptly, in writing, inform each holder of Series A Preferred Stock who elected to purchase his or its *pro rata* portion of such New Securities in full (a "Fully Exercising Holder") of any other Series A Preferred Stock holder's failure to do likewise. During the ten (10)-day period after receipt of such information, each Fully Exercising Holder shall have the

right to purchase such remaining, unpurchased portion in addition to his or its own, by giving written notice to the Corporation, with each such holder having the right to purchase in the proportion that the number of shares of Series A Preferred Stock and Conversion Shares owned by such holder (prior to receipt of the Offer Notice) bears to the number of shares of such stock owned by all Fully Exercising Holders. All such purchases shall be made on the date specified for closing in the Offer Notice, if all New Securities proposed to be issued by the Corporation are elected to be obtained by the holders of Series A Preferred Stock, and otherwise at the closing described in Section 4.F(3).

(3) Closings. If all New Securities proposed to be issued by the Corporation are not elected to be obtained as provided in Sections 4.F(1) and (2) hereof, the Corporation may, during the thirty (30)-day period following the expiration of the ten (10)-day period provided in subsection 4.F(2) hereof, offer the remaining unsubscribed portion of New Securities to any person or persons at a price not less than, and upon terms no more favorable to, the offeree(s) than those specified in the Offer Notice. If the Corporation does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first re-offered to the holders of Series A Preferred Stock in accordance with this Section 4.F.

(4) Successive Rights. Any offer by the Corporation of securities in addition to those specified in the notice described in Section 4.F(2) above, whether on the same or different terms as are specified therein, shall again require compliance by the Corporation with the terms of this Section 4.F.

(5) Rights Exclusive. The provisions of this Section 4.F shall constitute the only terms of and conditions pursuant to which holders of the Corporation's capital stock are entitled to preemptive rights pursuant to the Corporation's Articles of Incorporation.

G. Protective Provisions. In addition to any other rights provided by law, so long as any shares of Series A Preferred Stock are then outstanding or as limited below, except where the vote or written consent of the holders of a greater number of shares is required by law or by another provision of the Articles of Incorporation, without first obtaining the affirmative vote or written consent of the holders of a majority of the total number of shares of Series A Preferred Stock outstanding, voting together as a single class, the Corporation shall not:

(a) amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or Bylaws, or file any certificate of designations, preferences, limitations and relative rights of any series of preferred stock, if such action would alter or change the preferences, rights, privileges or powers of, or restrictions of any of the shares of Series A Preferred Stock;

(b) pay any dividends or make any distribution with respect to any shares of Common Stock or any other security ranking junior to the Series A Preferred Stock, other than dividends payable in Common Stock;

(c) unless the same ranks junior to the Series A Preferred Stock as to dividends, redemption and the distribution of assets on the liquidation, dissolution or winding up of the Corporation: create or authorize the creation or increase the

authorized amount of any additional class or series of shares of stock of the Corporation; increase the authorized amount of any additional class or series of shares of stock of the Corporation; or create or authorize any obligation of security convertible into shares of Common Stock, Series A Preferred Stock or any other class or series of stock of the Corporation, whether voting or non-voting; regardless of whether any such creation, authorization or increase shall be by means of amendment to these Articles of Incorporation, or by merger, consolidation, reclassification or otherwise;

(d) in any way alter the rights or preferences of the Series A Preferred Stock, regardless of whether by means of amendment to these Articles of Incorporation, or by merger, consolidation, reclassification or otherwise;

(e) enter into any material transaction with any director or employee of the Corporation or any subsidiary or Affiliate of the Corporation or such individual other than compensation arrangements;

(f) make any material acquisition of assets or stock or other securities of any entity, or any other material investment in any other entity;

(g) incur, assume, guarantee, endorse or otherwise become directly or contingently liable for any obligation or indebtedness other than accounts payable and similar trade liabilities as are incurred in the ordinary course of business and indebtedness for borrowed money which would cause the Corporation's pro forma ratio of funded debts to EBITDA for any trailing twelve (12)-month period to exceed 3.0:1 or its pro forma ratio of EBITDA to debt service to fall below 1.75:1 (although nothing in this subsection (g) shall restrict the Corporation from entering into of capital leases approved by the Board of Directors);

(h) sell, assign, lease or otherwise dispose of any of its assets or those of any Subsidiary, including its receivables, having an aggregate fair market value equal to or greater than ten percent (10%) of the assets or earnings of the Corporation during any twelve (12)-consecutive-month period;

(i) redeem, repurchase or otherwise acquire any shares of capital stock, or securities that are convertible, exchangeable or exercisable for any shares of capital stock of the Corporation, other than those required or permitted pursuant to Sections 4.B, 4.D, or 4.E of these Designations; or

(j) amend the provisions of this Section 4.G.

The covenants contained in subsections (b), (f), (g) and (h) above shall terminate at any time as there cease to remain outstanding at least twenty percent (20%) of the Series A Preferred Stock issued on the Original Issue Date.

H. Notices. Any notice required by the provisions hereof to be given to the holders of shares of Series A Preferred Stock shall be deemed given on the third business day following (and not including) the date on which such notice is deposited in the United States Mail, first-class, postage prepaid or the second business day following transmittal

by a nationally recognized overnight courier service and addressed to each holder of record at his address appearing on the books of the Corporation or any other means.

Each share of Common Stock of the Corporation issued and outstanding immediately prior to the time these Amended and Restated Articles of Incorporation become effective shall be and are upon the effectiveness hereof automatically reclassified and changed (without further act) into four thousand (4,000) fully paid and nonassessable shares of Common Stock, par value \$.001 per share.

## ARTICLE V

### Powers of Corporation

The Corporation shall have the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, subject to any limitations or restrictions imposed by applicable law or these Articles of Incorporation.

## ARTICLE VI

### Term of Existence

This Corporation shall have perpetual existence.

## ARTICLE VII

### Registered Owners

The Corporation, to the extent permitted by law, shall be entitled to treat the person in whose name any share or right is registered on the books of the Corporation as the owner thereto, for all purposes, and except as may be agreed in writing by the Corporation, the Corporation shall not be bound to recognize any equitable claim to, or interest in, such share or right on the part of any other person, whether or not the Corporation shall have notice thereof.

## ARTICLE VIII

### Indemnification

Each person who is or was or has agreed to become a director or officer of the Corporation, and each such person who is or was serving or who had agreed to serve at the request of the board or an officer of the Corporation as an employee or agent of the Corporation or as a director, officer, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, or other entity, whether for profit or not for profit (including the heirs, executors, administrators, or estate of such person), shall be indemnified by the

Corporation to the fullest extent permitted by the Florida Business Corporation Act or any other applicable law as currently or hereafter in effect and shall be entitled to advancement of expenses in connection therewith. The right of indemnification and of advancement of expenses provided in this article will not be exclusive of any other rights to which any person seeking indemnification or advancement of expenses may otherwise be entitled, including, without limitation, pursuant to any contract approved by the Board of Directors (whether or not the directors approving such contract are or are to be parties to such contract or similar contracts), and (ii) shall be applicable to matters otherwise within its scope whether or not such matters arose or arise before or after the adoption of this article. Without limiting the generality or the effect of the foregoing, the Corporation may adopt bylaws, or enter into one or more agreements with any person, that provide for indemnification and/or advancement of expenses greater or different than that provided in this article or the Florida Business Corporation Act. Any amendment or repeal of, or adoption of any provision inconsistent with, this article shall not adversely affect any right or protection existing hereunder, or arising out of facts occurring, prior to such amendment, repeal, or adoption, and no such amendment, repeal, or adoption shall affect the legality, validity, or enforceability of any contract entered into or right granted prior to the effective date of such amendment, repeal, or adoption.

## ARTICLE IX

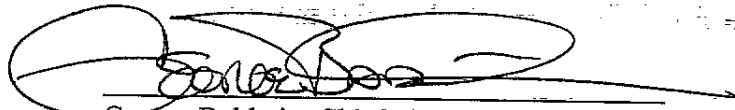
### Amendment

The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Amended and Restated Articles of Incorporation, or in any amendment hereto, or to add any provision to these Amended and Restated Articles of Incorporation or to any amendment hereto, in any manner now or hereafter prescribed or permitted by the provision of any applicable statute of the State of Florida, and all rights conferred upon shareholders in these Amended and Restated Articles of Incorporation or any amendment hereto are granted subject to this reservation.



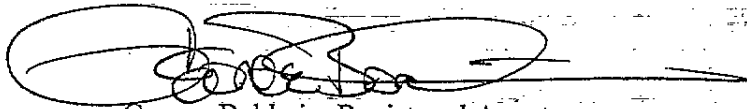
This Amendment and Restatement of the Corporation's Articles of Incorporation contains certain amendments which require shareholder approval, and the Amended and Restated Articles of Incorporation were adopted and approved effective as of November 11, 1999 by the Corporation's Board of Directors and Shareholders, in each case, the number of votes cast being sufficient for approval.

**IN WITNESS WHEREOF**, the undersigned, being the Chief Financial Officer, for the purpose of amending and restating the Corporation's Articles of Incorporation pursuant to the Florida Business Corporation Act of the State of Florida has executed these Amended and Restated Articles of Incorporation this 12<sup>th</sup> day of November, 1999.

  
George Baldwin, Chief Financial Officer

**ACCEPTANCE OF APPOINTMENT OF REGISTERED AGENT**

The undersigned, having been named the Registered Agent of TECHNICAL TRAINING CONSULTANTS, INC., hereby accepts such designation and is familiar with, and accepts, the obligations of such position, as provided in Florida Statutes §607.0505.

A handwritten signature in black ink, appearing to read "George Baldwin", is written over a horizontal line.

George Baldwin, Registered Agent

Dated: November 12, 1999