



UCC FILING & SEARCH SERVICES, INC.  
526 East Park Avenue  
Tallahassee, Florida 32301  
(850) 681-6528

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FOR PICKUP BY  
UCC SERVICES  
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**P97000008587**

February 5, 2002

**CORPORATION NAME (S) AND DOCUMENT NUMBER (S):**

Lightport Advisors, Inc.

**Filing Evidence**

☒ Plain/Confirmation Copy

☐ Certified Copy

**Retrieval Request**

☐ Photocopy

☐ Certified Copy

**Type of Document**

☐ Certificate of Status

☐ Certificate of Good Standing

☐ Articles Only

☐ All Charter Documents to Include  
Articles & Amendments

☐ Fictitious Name Certificate

☐ Other 700004880647--8  
02/05/02--01024--004  
\*\*\*\*\*35.00 \*\*\*\*\*35.00

| NEW FILINGS              |                   |
|--------------------------|-------------------|
| <input type="checkbox"/> | Profit            |
| <input type="checkbox"/> | Non Profit        |
| <input type="checkbox"/> | Limited Liability |
| <input type="checkbox"/> | Domestication     |
| <input type="checkbox"/> | Other             |

| AMENDMENTS                          |                                    | 700004880647--8                               |
|-------------------------------------|------------------------------------|-----------------------------------------------|
| <input checked="" type="checkbox"/> | Amendment                          | 02/05/02--01024--004<br>*****35.00 *****35.00 |
| <input type="checkbox"/>            | Resignation of RA Officer/Director |                                               |
| <input type="checkbox"/>            | Change of Registered Agent         |                                               |
| <input type="checkbox"/>            | Dissolution/Withdrawal             |                                               |
| <input type="checkbox"/>            | Merger                             |                                               |

| OTHER FILINGS            |                  |
|--------------------------|------------------|
| <input type="checkbox"/> | Annual Reports   |
| <input type="checkbox"/> | Fictitious Name  |
| <input type="checkbox"/> | Name Reservation |
| <input type="checkbox"/> | Reinstatement    |

| REGISTRATION/QUALIFICATION |                   |
|----------------------------|-------------------|
| <input type="checkbox"/>   | Foreign           |
| <input type="checkbox"/>   | Limited Liability |
| <input type="checkbox"/>   | Reinstatement     |
| <input type="checkbox"/>   | Trademark         |
| <input type="checkbox"/>   | Other             |

FILED  
2002 FEB -5 AM 10:32  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

C. Coulliette FEB 05 2002

**THIRD AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
LIGHTPORT ADVISORS, INC.**

FILED  
2002 FEB -5 AM 10:12  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

**LightPort Advisors, Inc.** (the "Corporation"), a corporation organized and existing under the Florida Business Corporation Act (the "Act"), does hereby certify:

I. The Corporation, pursuant to the provisions of Section 607.1007 of the Act, hereby adopts these Third Amended and Restated Articles of Incorporation (the "Restated Articles"), which accurately restate and integrate the original Articles of Incorporation of the Corporation filed on January 28, 1997, all amendments thereto and the Amended and Restated Articles filed on June 24, 1999 and the Amended and Restated Articles filed on March 23, 2000.

II. The Restated Articles contain amendments requiring shareholder approval. The Restated Articles, and all amendments contained herein, were duly approved and adopted, on January 4, 2002, pursuant to the provisions of Sections 607.0704 and 607.1003 of the Act, by the written consent of a majority of the directors and shareholders of the Corporation, which majority consent is sufficient for approval.

III. The original Articles of Incorporation and all amendments and supplements thereto are hereby superseded by the Restated Articles, which are as follows:

1. **Name.** The name of the corporation is LightPort Advisors, Inc. (the "Corporation").

2. **Duration.** The corporation shall have perpetual existence.

3. **Purpose.** The nature of the business and the purpose for which the Corporation is formed are to engage in any lawful act or activity for which a corporation may be organized under the Act.

4. **Capital Stock.** The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 103,575,000 shares, consisting of (i) 100,000,000 shares of common stock, \$.001 par value per share (the "Common Stock"), (ii) 375,000 shares of Series A Convertible Preferred Stock, \$.01 par value per share (the "Series A Preferred Stock"), (iii) 700,000 shares of Series B Convertible Preferred Stock, \$.01 par value per share (the "Series B Preferred Stock"), (iv) 3,500,000 shares of Series C Convertible Preferred Stock, \$.01 par value per share (the "Series C Preferred Stock"). Collectively, the Series A Preferred Stock, the Series B Preferred Stock, and the Series C Preferred Stock shall be referred to as the "Preferred Stock". The designation, powers, preferences and relative participating, optional or other special rights and the qualifications, limitations and restrictions thereof in respect of each class of capital stock of the Corporation are as follows:

**A. Common Stock.**

(1) Voting. Each holder of record of shares of Common Stock shall be entitled to vote at all meetings of the shareholders and shall have one vote for each share held by him of record. In any election of directors, no holder of Common Stock shall be entitled to cumulate his votes by giving one candidate more than one vote per share. Notwithstanding anything to the contrary contained herein and except as specifically provided in the Act, the holders of shares of Common Stock shall not be entitled to vote as a class.

(2) Other Rights. Each share of Common Stock issued and outstanding shall be identical in all respects one with the other, and no dividends shall be paid on any shares of Common Stock unless the same dividend is paid on all shares of Common Stock outstanding at the time of such payment; provided, however, that the per share amount, if any, of all dividends for the Common Stock in any fiscal year of the Corporation shall not be greater than the per share amount, if any, of all dividends declared for the Preferred Stock during each fiscal year (assuming for the calculation of the per share amounts for the Preferred Stock the conversion at the time of such calculation of all Preferred Stock into Common Stock). Except for and subject to those rights expressly granted to the holders of the Preferred Stock, or except as may be provided by the laws of the State of Florida, the holders of Common Stock shall have exclusively all other rights of shareholders including, but not by way of limitation, (i) the right to receive dividends, when and as declared by the Board of Directors of the Corporation (the "Board of Directors") out of assets lawfully available therefor, and (ii) in the event of any distribution of assets upon a Liquidation (defined in Section B(2)) or otherwise, the right to receive assets and funds of the Corporation as set forth in Section B(2).

**B. Preferred Stock.**

(1) Dividends. (a) The holders of the Series A Preferred Stock shall be entitled to receive cumulative dividends in preference to any dividend on the Common Stock at a rate of 8% per share, per year, (b) the holders of the Series B Preferred Stock shall be entitled to receive cumulative dividends in preference to any dividend on the Series A Preferred Stock and the Common Stock at a rate of 8% per share, per year payable out of any assets legally available therefor, and (c) the holders of the Series C Preferred Stock shall be entitled to receive dividends when, as, and if declared by the Board of Directors in preference to any dividend on the Series B Preferred Stock, Series A Preferred Stock, and the Common Stock. Such dividends shall accrue automatically each year that shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, as the case may be, remain issued and outstanding, and shall be payable only when, as, and if declared by the Board of Directors or as otherwise provided herein. Additionally, when and as dividends and distributions, whether in cash or property or in securities of the Corporation (or subscription or other rights to purchase or acquire securities of the Corporation) may be declared, paid or made on shares of the Common Stock then outstanding, the Board of Directors shall also declare a dividend or distribution at the same rate and in like kind upon the shares of

Preferred Stock then outstanding, so that the Preferred Stock will participate equally with the Common Stock, share for share, in such dividend or distribution. In connection therewith, each share of Preferred Stock shall be deemed to be that number of shares of Common Stock into which it is then convertible (a "Common Stock Equivalents Basis"), rounded to the nearest one-tenth of a share.

(2) Rights on Liquidation, Winding-Up. In the event of any liquidation, dissolution or winding-up of the affairs of the Corporation (a "Liquidation"), (A) the holders of shares of Series C Preferred Stock then outstanding shall be entitled to receive out of the assets of the Corporation legally available for distribution to its shareholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of any stock ranking on Liquidation junior to the Series C Preferred Stock (with respect to rights on Liquidation, the Series C Preferred Stock shall rank senior to the Common Stock, the Series A Preferred Stock, and the Series B Preferred Stock), an amount per share for the Series C Preferred Stock equal to the purchase price per share of the Series C Preferred Stock plus, in each case, an amount equal to declared but unpaid dividends thereon, if any, to the date of payment, (B) the holders of shares of Series B Preferred Stock then outstanding shall be entitled to receive out of the assets of the Corporation legally available for distribution to its shareholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of any stock ranking on Liquidation junior to the Series B Preferred Stock (with respect to rights on Liquidation, the Series B Preferred Stock shall rank senior to the Common Stock and the Series A Preferred Stock), and after all required payments have been made to the holders of the Series C Preferred Stock, an amount per share for the Series B Preferred Stock equal to the purchase price per share of the Series B Preferred Stock plus, in each case, an amount equal to declared but unpaid dividends thereon, if any, to the date of payment, and (B) the holders of shares of Series A Preferred Stock then outstanding shall be entitled to receive out of the assets of the Corporation legally available for distribution to its shareholders, whether from capital, surplus or earnings, before any payment shall be made to the holders of any stock ranking on Liquidation junior to the Series A Preferred Stock (with respect to rights on Liquidation, the Series A Preferred Stock shall rank senior to the Common Stock) and after all required payments have been made to the holders of the Series C Preferred Stock and the Series B Preferred Stock, an amount per share for the Series A Preferred Stock equal to the purchase price per share of the Series A Preferred Stock plus, in each case, an amount equal to declared but unpaid dividends thereon, if any, to the date of payment. If upon any Liquidation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amounts to which they respectively shall be entitled, the holders of shares of Series C Preferred Stock shall share ratably in any distribution of assets according to the respective amounts which would be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares of Series C Preferred Stock were paid in full. After payment shall have been made to holders of shares of Series C Preferred Stock as aforesaid, if upon any Liquidation the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full amounts to which they respectively shall be entitled, the holders of shares of Series B Preferred Stock shall share ratably in any distribution of assets according to the

respective amounts which would be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares of Series B Preferred Stock were paid in full. After payment shall have been made to holders of shares of Series C Preferred Stock and Series B Preferred Stock as aforesaid, if upon any Liquidation 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 the full amounts to which they respectively shall be entitled, the holders of shares of Series A Preferred Stock shall share ratably in any distribution of assets according to the respective amounts which would be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to said shares of Series A Preferred Stock were paid in full. After payment shall have been made to holders of shares of Series C Preferred Stock, Series B Preferred Stock, and Series A Preferred Stock as aforesaid, the holders of shares of Preferred Stock and Common Stock shall be entitled to share ratably, on a Common Stock Equivalents Basis, in all the remaining assets of the Corporation available for distribution to its shareholders, if any. The merger or consolidation of the Corporation into or with another corporation or the merger or consolidation of any other corporation into or with the Corporation (in which consolidation or merger the shareholders of the Corporation receive distributions of cash or securities as a result of such consolidation or merger in complete exchange for their shares of capital stock of the Corporation), or the sale or other disposition of all or substantially all of the assets of the Corporation (collectively, the "Sale of the Corporation") shall, at the election of a majority of the holders of the Preferred Stock, be deemed to be a Liquidation.

(3) Voting. Except as otherwise provided herein or as required under the Act, each share of Preferred Stock shall entitle the holder thereof to such number of votes per share as shall equal the number of shares of Common Stock (including any fraction to one decimal place) into which each share of Preferred Stock is then convertible, and shall be entitled to vote, on all matters as to which holders of Common Stock shall be entitled to vote, in the same manner and with the same effect as such holders of Common Stock, voting together with the holders of Common Stock as one class; provided, however, that (A) the holders of Series A Preferred Stock shall be entitled to vote as a separate class with respect to the election of directors and as such separate class shall be entitled to appoint two (2) directors to the Board of Directors, and (B) the holders of Series B Preferred Stock shall be entitled to vote as a separate class with respect to the election of directors and as such separate class shall be entitled to appoint two (2) directors to the Board of Directors.

(4) Series A Preferred Stock Conversion. The Series A Preferred Stock shall be convertible into Common Stock as follows:

(a) *Automatic Conversion.* Each outstanding share of Series A Preferred Stock shall automatically be converted, without any further act of the Corporation or its shareholders, into such number of fully paid and nonassessable shares of Common Stock as determined pursuant to Section 4(b) below upon (i) the closing of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended,

covering the offering and sale of the Common Stock for the account of the Corporation in which the aggregate gross cash proceeds (prior to deduction of underwriters' commissions and expenses, if any) received by the Corporation equals or exceeds \$5,000,000 or (ii) the election by a majority of the holders of Series A Preferred Stock to effect such a conversion (hereinafter referred to as the "Event of Conversion");

(b) *Conversion Ratio.* Each share of Series A Preferred Stock shall be convertible into such number of shares of Common Stock determined by dividing the sum of (A) \$10.00 (as adjusted to account for the 10 for one stock split that occurred on March 8, 2000) plus (B) any dividends on such shares of Series A Preferred Stock which such holder is entitled to receive, but has not yet received, by the Conversion Price in effect on the Conversion Date (as defined herein). The term "Conversion Price" shall be \$1.00 per share, subject to adjustment in accordance with the provisions of paragraph 4(e) below. No payment or adjustment shall be made for any dividends on the Common Stock issuable upon such conversion;

(c) *Mechanics of Conversion.* Upon the occurrence of an Event of Conversion as specified in subparagraph 4(a), the outstanding shares of Series A Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided that the Corporation shall not be obligated to issue to any such holder certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing the shares of Series A Preferred Stock are either delivered to the Corporation or any transfer agent of the Corporation. Conversion shall be deemed to have been effected on the date of the occurrence of an Event of Conversion specified in subparagraph 4(a), and such date is referred to herein as the "Conversion Date." As promptly as practicable thereafter (and after surrender of the certificate or certificates representing shares of Series A Preferred Stock to the Corporation or any transfer agent of the Corporation), the Corporation shall issue and deliver to or upon the written order of such holder a certificate or certificates for the number of full shares of Common Stock to which such holder is entitled and a check or cash with respect to any fractional interest in a share of Common Stock as provided in subparagraph 4(d). The person in whose name the certificate or certificates for Common Stock are to be issued shall be deemed to have become a holder of record of such Common Stock on the applicable Conversion Date;

(d) *Fractional Shares.* No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series A Preferred Stock. If more than one share of Series A Preferred Stock shall be surrendered for conversion at any one time by the same holder, 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 which 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 in an amount equal to that fractional interest of the then Current Market Price (as hereinafter defined);

(e) *Conversion Price Adjustments.* The Conversion Price shall be subject to adjustment from time to time as follows:

(i) *Common Stock Issued at Less Than the Issuance Price.* If the Corporation shall issue any Common Stock, other than Excluded Stock (as hereinafter defined), without consideration or for a consideration per share less than the issuance price per share of the Series A Preferred Stock, the Conversion Price in effect immediately prior to each such issuance shall immediately (except as provided below) be reduced by a percentage which is equal to the percentage by which the book value per share of Common Stock has been diluted as a result of such issuance. By way of example, if the current book value per share is equal to \$1.00 and the Company issues such number of shares of Common Stock at a price that causes book value per share to decrease by \$.20, then the Conversion price shall also be decreased by 20% to \$.80;

For the purposes of any adjustment of the Conversion Price pursuant to clause (i), the following provisions shall be applicable:

(A) *Cash.* In the case of the issuance of Common Stock for cash, the amount of the consideration received by the Corporation shall be deemed to be the amount of the cash proceeds received by the Corporation for such Common Stock before deducting therefrom any discounts, commissions, taxes or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof;

(B) *Consideration Other Than Cash.* In the case of the issuance of Common Stock (otherwise than upon the conversion of the shares of Series A Preferred Stock other securities of the Corporation) for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors, irrespective of any accounting treatment;

(C) *Options and Convertible Securities.* In the case of the issuance of (i) options, warrants or other rights to purchase or acquire Common Stock (whether or not at the time exercisable), (ii) securities by their terms convertible into or exchangeable for Common Stock (whether or not at the time so convertible or exchangeable) or options, warrants or rights to purchase such convertible or exchangeable securities (whether or not at the time exercisable):

(1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options, warrants or other rights to purchase or acquire Common Stock shall be deemed to have been issued at the time such options, warrants or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subclauses (A) and (B) above), if any, received by the Corporation upon the issuance of such options, warrants or rights plus the minimum purchase price provided in such options, warrants or rights for the Common Stock covered thereby;

(2) the aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options, warrants or other rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options, warrants or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the additional consideration (determined in the manner provided in subclauses (A) and (B) above), if any, to be received by the Corporation upon the conversion or exchange of such securities, or upon the exercise of any related options, warrants or rights to purchase or acquire such convertible or exchangeable securities and the subsequent conversion or exchange thereof;

(3) on any change in the number of shares of Common Stock deliverable upon exercise of any such options, warrants or rights or conversion or exchange of such convertible or exchangeable securities or any change in the consideration to be received by the Corporation upon such exercise, conversion or exchange, including, but not limited to, a change resulting from the anti-dilution provisions thereof, the Conversion Price as then in effect shall forthwith be readjusted to such Conversion Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants or rights not exercised prior to such change, or of such convertible or exchangeable securities not converted or exchanged prior to such change, upon the basis of such change;

(4) on the expiration or cancellation of any such options, warrants or rights, or the termination of the right to convert or exchange such convertible or exchangeable securities, if the Conversion Price shall have been adjusted upon the issuance thereof, the Conversion Price shall forthwith be readjusted to such Conversion Price as would have been obtained had an adjustment been made upon the issuance of such options, warrants, rights or such convertible or exchangeable securities on 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, or upon the conversion or exchange of such convertible or exchangeable securities; and

(5) if the Conversion Price shall have been adjusted upon the issuance of any such options, warrants, rights or convertible or exchangeable securities, no further adjustment of the Conversion Price shall be made for the actual issuance of Common Stock upon the exercise, conversion or exchange thereof;

(ii) *Excluded Stock.* "Excluded Stock" shall mean shares of Common Stock issued or reserved for issuance by the Corporation as a stock dividend payable in shares of Common Stock, or upon any stock split or other subdivision or combination of the outstanding shares of Common Stock or Preferred Stock, or upon conversion of shares of Preferred Stock at any time outstanding. "Excluded Stock" shall also include (A) shares of Common Stock reserved by the Corporation for issuance upon the exercise of those options set forth in Exhibit "A" to the Series A Convertible Preferred Stock Purchase Agreement dated June 25, 1999 and (B) shares underlying options or warrants issued by the Corporation in the future with an exercise price greater than or equal to the issuance price per share of the Series A Preferred Stock and which issuances have been approved by 80% of the members of the Board of Directors;

(iii) *Stock Dividends, Subdivisions, Reclassifications or Combinations.* If the Corporation shall (i) declare a dividend or make a distribution on its Common Stock in shares of its Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding Common Stock into a smaller number of shares, the Conversion Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the holder of any shares of Preferred Stock surrendered for conversion after such date shall be entitled to receive the number of shares of Common Stock which he would have owned or been entitled to receive had such Preferred Stock been converted immediately prior to such date. Successive adjustments in the Conversion Price shall be made whenever any event specified above shall occur;

(iv) *Rounding of Calculations, Minimum Adjustment.* All calculations under this subparagraph (e) shall be made to the nearest cent or to the nearest one tenth (1/10th) of a share, as the case may be. Any provision of this paragraph 4 to the contrary notwithstanding, no adjustment in the Conversion Price shall be made if the amount of such adjustment would be less than \$0.10, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate \$0.10 or more;

(f) *Current Market Price.* Current Market Price per share of Common Stock shall be deemed to be the public offering price for the Common Stock in the public offering giving rise to the Event of Conversion. If a

public offering has not taken place, the Current Market Price shall be such amount as determined by the Board of Directors;

(g) *Statement Regarding Adjustments.* Whenever the Conversion Price shall be adjusted as provided in subparagraph 4(e), the Corporation shall forthwith file, at the office of any transfer agent for the Preferred Stock and at the principal office of the Corporation, a statement showing in detail the facts requiring such adjustment and the Conversion Price that shall be in effect after such adjustment, and the Corporation shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each holder of shares of Series A Preferred Stock at its address appearing on the Corporation's records. Each such statement shall be signed by the Corporation's independent public accountants, if applicable. Where appropriate, such copy may be given in advance and may be included as part of a notice required to be mailed under the provisions of subparagraph 4(h);

(h) *Notice to Holders.* In the event the Corporation shall propose to take any action of the type described in clause (i) (but only if the action of the type described in clause (i) would result in an adjustment in the Conversion Price) or (iii) of subparagraph 4(e), the Corporation shall give notice to each holder of shares of Series A Preferred Stock, in the manner set forth in subparagraph 4(g), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon conversion of shares of Series A Preferred Stock. In the case of any action which would require the fixing of a record date, such notice shall be given at least 10 days prior to the date so fixed, and in case of all other action, such notice shall be given at least 15 days prior to the taking of such proposed action. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action;

(i) *Costs.* The Corporation shall pay all documentary, stamp, transfer or other transactional taxes attributable to the issuance or delivery of shares of Common Stock upon conversion of the shares of Series A Preferred Stock; and

(j) *Valid Issuance.* All shares of Common Stock which may be issued upon conversion of the shares of Series A Preferred Stock will upon issuance by the Corporation be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof, and the Corporation shall take no action which will cause a contrary result (including without limitation, any action which would cause the Conversion Price to be less than the par value, if any, of the Common Stock).

(5) Series B Preferred Stock Conversion. The holders of the Series B Preferred Stock have conversion rights as follows:

(a) *Right to Convert.* Each share of Series B 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 B Preferred Stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing (i) \$7.40 plus (ii) any dividends on such share of Series B Preferred Stock which such holder is entitled to receive, but has not yet received, by the Series B Conversion Price, as hereinafter provided, in effect at the time of the conversion. The price at which shares of Common Stock shall be deliverable upon conversion of the Series B Preferred Stock (the "Series B Conversion Price") shall initially be \$0.74 per share. Such initial Series B Conversion Price shall be subject to adjustment as hereinafter provided;

(b) *Automatic Conversion.* Each share of Series B Preferred Stock shall automatically be converted, without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent (provided that the Corporation shall not be obligated to issue to any such holder certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing the shares of Series B Preferred Stock are either delivered to the Corporation or any transfer agent of the Corporation), into shares of Common Stock at the then effective applicable Series B Conversion Price upon the earlier to occur of (i) immediately prior to the closing of a firm commitment, underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the offer and sale of securities for the account of the Corporation to the public (a "Public Offering") in which (A) (1) the aggregate gross cash proceeds (prior to deduction of underwriters' commissions and expenses, if any) received by the Corporation equals or exceeds \$15,000,000 and (2) the Corporation is valued at, based upon the per share price to the public in the Public Offering (the "Public Offering Price"), at least \$60,000,000 or (B) the Public Offering Price is at least \$2.22 (as adjusted for any stock dividends, combinations or splits with respect to such shares) or (ii) the date specified by vote or written consent of holders of at least two-thirds of the then outstanding Series B Preferred Stock;

(c) *Mechanics of Conversion.* No fractional shares of Common Stock shall be issued upon conversion of Series B Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then-effective respective Series B Conversion Price. Before any holder of Series B Preferred Stock shall be entitled to convert the same into full shares of Common Stock pursuant to subparagraph (5)(a) hereof and to receive certificates therefor, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series B Preferred Stock

and shall give written notice to the Corporation at such office that such holder elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series B Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Stock B Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date. If the conversion is in connection with an underwritten offering of securities pursuant to the Securities Act, the conversion may, at the option of any holder tendering shares of Series B Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the holder entitled to receive the Common Stock upon conversion of the Series B Preferred Stock shall not be deemed to have converted such Series B Preferred Stock until immediately prior to the closing of such sale of securities;

(d) *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 B 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 B Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then-outstanding shares of the Series B Preferred Stock, in addition to such other remedies as shall be available to the holder of such Series B Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes;

(e) *Adjustments to Series B Conversion Price.*

(i) *Special Definitions.* For purposes of Sections 4.B.(5)(e) and 4.B.(8), the following definitions shall apply:

(A) "Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock, Series B Preferred Stock or Convertible Securities;

(B) "Original Issue Date" for the Series B Preferred Stock shall mean the date on which the first share of Series B Preferred Stock was issued;

(C) "Convertible Securities" shall mean any evidences of indebtedness, shares (other than the Series B Preferred Stock) or other securities directly or indirectly convertible into or exchangeable for Common Stock;

(D) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to subsection 4.B.(5)(e)(iii), deemed to be issued) by the Corporation after the Original Issue Date, other than:

(1) shares of the Corporation's Common Stock issued upon conversion of the Series A Preferred Stock, Series B Preferred Stock, or the Series C Preferred Stock;

(2) shares of Common Stock issued pursuant to stock options granted after the Original Issue Date to officers, directors, employees of and consultants to the Corporation pursuant to stock option plans approved by a majority of the members of the Board of Directors, but not exceeding an aggregate of 1,970,000 shares (as adjusted for any stock dividends, combinations or splits with respect to the Common Stock) unless an increase is approved in writing by the entire Compensation Committee of the Board of Directors, including those members nominated by the holders of Series B Preferred Stock;

(3) shares of Common Stock issued as a dividend or distribution on Series B Preferred Stock or any event for which adjustment is made pursuant to subsection 4.B.(5)(e)(vi) or 4.B.(5)(e)(vii) hereof;

(4) shares of Common Stock issued to any bank, equipment or real property lessor if and to the extent that the transaction in which such issuance is to be made is approved by the Board of Directors (including the directors elected by the holders of Series B Preferred Stock) and is for purposes other than equity financing; or

(5) up to 1,000,000 shares of Common Stock issued to Scott Wybranski in connection with the Corporation's acquisition of Meradia Group Inc., a Pennsylvania corporation;

(ii) *No Adjustment of Series B Conversion Price.* No adjustment in the Series B Conversion Price of the Series B Preferred Stock shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Series B Conversion Price in effect on the date of and immediately prior to such issue;

(iii) *Deemed Issue of Additional Shares of Common Stock.* In the event the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum

number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number that would result in an adjustment pursuant to clause (2) below) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to subsection 4.B.(5)(e)(iv) hereof) of such Additional Shares of Common Stock would be less than the applicable Series B Conversion Price of the Series B Preferred Stock in effect on the date of and immediately prior to such issue, or such record date and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) no further adjustment in the Series B Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or increase or decrease in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Series B Conversion Price 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 increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Series B Conversion Price 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:

(1) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the

additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

(2) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(D) no readjustment pursuant to clause (2) or (3) above shall have the effect of increasing the Series B Conversion Price to an amount which exceeds the lower of (A) the Series B Conversion Price on the original adjustment date, or (B) the Series B Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(E) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Series B Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in clause (3) above;

(iv) *Adjustment of Series B Conversion Price of Series B Preferred Stock Upon Issuance of Additional Shares of Common Stock.* In the event that after the Original Issue Date the Corporation shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to subsection 4.B.(5)(e)(iii)) without consideration or for a consideration per share less than the Series B Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, such Series B Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Series B Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Series B Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued; and provided further that, for the purposes of this subsection (iv) all shares of Common Stock issuable upon conversion of outstanding Series B Preferred Stock and outstanding Convertible Securities or exercise of outstanding Options shall be deemed to be outstanding, and immediately after any Additional Shares of Common Stock are deemed issued

pursuant to subsection 4.B.(5)(e)(iii), such Additional Shares of Common Stock shall be deemed to be outstanding;

(v) *Determination of Consideration.* For purposes of this Section 4.B.(5)(e), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(A) *Cash and Property:* Except as provided in clause (2) below, such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(2) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; *provided, however*, that no value shall be attributed to any services performed by any employee, officer or director of the Corporation; and

(3) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received with respect to such Additional Shares of Common Stock, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors;

(B) *Options and Convertible Securities.* The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.B.(5)(e)(iii), relating to Options and Convertible Securities, shall be determined by dividing

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

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

(vi) *Adjustments for Stock Dividends, Subdivisions, Combinations or Consolidations of Common Stock.* Notwithstanding anything contained herein to the contrary, in the event the outstanding shares of Common Stock shall be subdivided (by stock dividend, stock split, or otherwise), into a greater number of shares of Common Stock, the Series B Conversion Price then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Series B Conversion Price then in effect shall, concurrently with the effectiveness of such combination or consolidation be proportionately increased;

(vii) *Adjustments for Other Distributions.* In the event the Corporation at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive any distribution payable in securities or assets of the Corporation other than shares of Common Stock, in each such event provision shall be made so that the holders of Series B Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities or assets of the Corporation which they would have received had their Series B Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 4.B.(5)(e) with respect to the rights of the holders of the Series B Preferred Stock;

(viii) *Adjustments for Reclassification, Exchange and Substitution.* If the Common Stock issuable upon conversion of the Series B Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then and in each such event the holder of each share of Series B Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series B Preferred Stock immediately before that change, all subject to further adjustment as provided herein;

(ix) *No Impairment.* Without the prior written consent of the holders of a majority of the Series B Preferred Stock, the Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but will at all times in good faith assist in the

carrying out of all the provisions of Section 4.B.(5)(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 B Preferred Stock against impairment; and

(f) *Certificate as to Adjustments.* Upon the occurrence of each adjustment or readjustment of the Series B Conversion Price pursuant to Section 4.B.(5)(e)(iv), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series B 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 B Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustments and readjustments, (B) the Series B Conversion Price at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Series B Preferred Stock.

(6) Series C Preferred Stock Conversion. The Series C Preferred Stock shall be convertible into Common Stock and have conversion rights as follows:

(a) *Conversion.* At any time the Series C Preferred Stock may be converted, without any further act of the Corporation or its shareholders, into such number of fully paid and nonassessable shares of Common Stock as determined pursuant to Section 6(b) below or upon (i) the closing of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offering and sale of the Common Stock for the account of the Corporation in which the aggregate gross cash proceeds (prior to deduction of underwriters' commissions and expenses, if any) received by the Corporation equals or exceeds \$5,000,000 or (ii) in the event of any merger, consolidation or other reorganization of the Corporation into or with another corporation in which the Corporation is not the surviving entity, or any sale of stock or sale of substantially all of the assets of the Corporation (hereinafter referred to as the "Event of Conversion");

(b) *Conversion Ratio.* Each share of Series C Preferred Stock shall be convertible into a number of shares of Common Stock determined by dividing (i) the sum of (A) the initial Conversion Price plus (B) any dividends on such shares of Series C Preferred Stock which such holder is entitled to receive, but has not yet received, by (ii) the Conversion Price in effect on the Conversion Date (as defined herein). The term "Conversion Price" shall be initially \$.17 per share, subject to adjustment in accordance with the provisions of paragraph 6(e) below. No payment or adjustment shall be made for any dividends on the Common Stock issuable upon such conversion;

(c) *Mechanics of Conversion.* Upon the occurrence of an Event of Conversion as specified in subparagraph 6(a), the outstanding shares

of Series C Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided that the Corporation shall not be obligated to issue to any such holder certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing the shares of Series C Preferred Stock are either delivered to the Corporation or any transfer agent of the Corporation. Conversion shall be deemed to have been effected on the date of the occurrence of an Event of Conversion specified in subparagraph 6(a), and such date is referred to herein as the "Conversion Date." As promptly as practicable thereafter (and after surrender of the certificate or certificates representing shares of Series C Preferred Stock to the Corporation or any transfer agent of the Corporation), the Corporation shall issue and deliver to or upon the written order of such holder a certificate or certificates for the number of full shares of Common Stock to which such holder is entitled and a check or cash with respect to any fractional interest in a share of Common Stock as provided in subparagraph 6(d). The person in whose name the certificate or certificates for Common Stock are to be issued shall be deemed to have become a holder of record of such Common Stock on the applicable Conversion Date;

(d) *Fractional Shares.* No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series C Preferred Stock. If more than one share of Series C Preferred Stock shall be surrendered for conversion at any one time by the same holder, 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 C Preferred Stock so surrendered. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of any shares of Series C Preferred Stock, the Corporation shall pay a cash adjustment in respect of such fractional interest in an amount equal to that fractional interest of the then Current Market Price (as hereinafter defined);

(e) *Adjustments to Series C Conversion Price.*

(i) *Special Definitions.* For purposes of Section 4.B.(6)(e), the following definitions shall apply:

(A) "Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Common Stock, Series C Preferred Stock or Convertible Securities;

(B) "Original Issue Date" for the Series C Preferred Stock shall mean the date on which the first share of Series C Preferred Stock was issued;

(C) "Convertible Securities" shall mean any evidences of indebtedness, shares (other than the Series C Preferred Stock) or other securities directly or indirectly convertible into or exchangeable for Common Stock;

(D) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to subsection 4.B.(6)(e)(iii), deemed to be issued) by the Corporation after the Original Issue Date, other than:

(1) shares of the Corporation's Common Stock issued upon conversion of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock;

(2) shares of Common Stock issued pursuant to stock options granted after the Original Issue Date to officers, directors, employees of and consultants to the Corporation pursuant to stock option plans or agreements approved by a majority of the members of the Board of Directors;

(3) shares of Common Stock issued as a dividend or distribution on Preferred Stock or any event for which adjustment is made pursuant to subsection 4.B.(6)(e)(vi) or 4.B.(6)(e)(vii) hereof;

(4) shares of Common Stock issued to any bank, equipment or real property lessor if and to the extent that the transaction in which such issuance is to be made is approved by the Board of Directors and is for purposes other than equity financing; or

(5) up to 1,000,000 shares of Common Stock issued to Scott Wybranski in connection with the Corporation's acquisition of Meradia Group Inc., a Pennsylvania corporation;

(ii) *No Adjustment of Series C Conversion Price.* No adjustment in the Series C Conversion Price of the Series C Preferred Stock shall be made in respect of the issuance of Additional Shares of Common Stock unless the consideration per share for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the applicable Series C Conversion Price in effect on the date of and immediately prior to such issue;

(iii) *Deemed Issue of Additional Shares of Common Stock.* In the event the Corporation at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number that would result in an adjustment pursuant to clause (2) below) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Shares of

Common Stock shall not be deemed to have been issued unless the consideration per share (determined pursuant to subsection 4.B.(6)(e)(iv) hereof) of such Additional Shares of Common Stock would be less than the applicable Series C Conversion Price of the Series C Preferred Stock in effect on the date of and immediately prior to such issue, or such record date and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) no further adjustment in the Series C Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, or increase or decrease in the number of shares of Common Stock issuable, upon the exercise, conversion or exchange thereof, the Series C Conversion Price 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 increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Series C Conversion Price 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:

(1) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange; and

(2) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for

the issue of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

(D) no readjustment pursuant to clause (2) or (3) above shall have the effect of increasing the Series C Conversion Price to an amount which exceeds the lower of (A) the Series C Conversion Price on the original adjustment date, or (B) the Series C Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(E) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Series C Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in clause (3) above;

(iv) *Adjustment of Series C Conversion Price of Series C Preferred Stock Upon Issuance of Additional Shares of Common Stock.* In the event that after the Original Issue Date the Corporation shall issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to subsection 4.B.(6)(e)(iii)) without consideration or for a consideration per share less than the Series C Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, such Series C Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Series C Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Series C Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common Stock so issued; and provided further that, for the purposes of this subsection (iv) all shares of Common Stock issuable upon conversion of outstanding Series C Preferred Stock and outstanding Convertible Securities or exercise of outstanding Options shall be deemed to be outstanding, and immediately after any Additional Shares of Common Stock are deemed issued pursuant to subsection 4.B.(6)(e)(iii), such Additional Shares of Common Stock shall be deemed to be outstanding;

(v) *Determination of Consideration.* For purposes of this Section 4.B.(6)(e), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(A) *Cash and Property:* Except as provided in clause (2) below, such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;

(2) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; *provided, however*, that no value shall be attributed to any services performed by any employee, officer or director of the Corporation; and

(3) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received with respect to such Additional Shares of Common Stock, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board of Directors;

(B) *Options and Convertible Securities.* The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.B.(6)(e)(iii), relating to Options and Convertible Securities, shall be determined by dividing

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

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

(vi) *Adjustments for Stock Dividends, Subdivisions, Combinations or Consolidations of Common Stock.* Notwithstanding anything contained herein to the contrary, in the event the outstanding shares of Common Stock shall be subdivided (by stock dividend, stock split, or otherwise), into a greater number of shares of Common Stock, the Series C Conversion Price then in effect shall, concurrently with the effectiveness

of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Series C Conversion Price then in effect shall, concurrently with the effectiveness of such combination or consolidation be proportionately increased;

(vii) *Adjustments for Other Distributions.* In the event the Corporation at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive any distribution payable in securities or assets of the Corporation other than shares of Common Stock, in each such event provision shall be made so that the holders of Series C Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities or assets of the Corporation which they would have received had their Series C Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 4.B.(6)(e) with respect to the rights of the holders of the Series C Preferred Stock;

(viii) *Adjustments for Reclassification, Exchange and Substitution.* If the Common Stock issuable upon conversion of the Series C Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then and in each such event the holder of each share of Series C Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series C Preferred Stock immediately before that change, all subject to further adjustment as provided herein;

(ix) *No Impairment.* Without the prior written consent of the holders of a majority of the Series C Preferred Stock, the Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but will at all times in good faith assist in the carrying out of all the provisions of Section 4.B.(6)(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 C Preferred Stock against impairment; and

(f) *Certificate as to Adjustments.* Upon the occurrence of each adjustment or readjustment of the Series C Conversion Price pursuant to

Section 4.B.(6)(e)(iv), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series C 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 C Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustments and readjustments, (B) the Series C Conversion Price at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Series C Preferred Stock.

(7) Series A Preferred Stock Redemption. Beginning on June 25, 2004 and for such period of time thereafter as any of the Series A Preferred Stock remains outstanding, the Company shall redeem any shares of Series A Preferred Stock tendered to the Company by the holders of Series A Preferred Stock at a price per share (the "Series A Redemption Price") equal to the original purchase price of the Series A Preferred Stock plus cumulative and unpaid dividends, declared and unpaid dividends, and a redemption premium of seven percent (7%), which premium accrues annually; provided, however that at any time up to and including the fifth anniversary of the Original Issue Date while any shares of Series B Preferred Stock and Series C Preferred Stock remain outstanding, any such redemption of Series A Preferred Stock shall take place by the Corporation depositing the applicable Series A Redemption Price with a Redemption Trust (as defined in subsection (7)(f) below) where such funds shall remain until the earlier of the fifth anniversary of the Original Issue Date and the date on which no shares of Series B Preferred Stock and Series C Preferred Stock remain outstanding at which time any such funds remaining following any reduction of such funds pursuant to subsection (8)(b) below shall be paid out ratably to the holders of Series A Preferred Stock that had been redeemed.

(8) Series B Preferred Stock Redemption.

(a) *Election of Redemption.* At any time commencing on the date thirty days prior to the third anniversary of the Original Issue Date, upon the written request of the holders of not less than two-thirds of the outstanding shares of Series B Preferred Stock, the Corporation shall redeem on the third, fourth and fifth anniversaries of the Original Issue Date (each, a "Redemption Date"), from any source of funds legally available therefor, an amount equal to one-third of the outstanding and unconverted shares of Series B Preferred Stock as of the third anniversary of the Original Issue Date (the "First Redemption Date").

(b) *Insufficient Assets and Funds.* If the assets and funds of the Corporation legally available for redemption of shares of Series B Preferred Stock on a Redemption Date are insufficient to redeem the total number of shares of Series B Preferred Stock to be redeemed on such Redemption Date, those assets and funds that are legally available (including any payments to a Redemption Trust upon the redemption of any shares of Series A Preferred Stock or Series C Preferred Stock pursuant to subsection (7) above) will 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 B Preferred Stock. The shares of Series B Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series B Preferred Stock, such funds will immediately be used to redeem the balance of the shares that the Corporation has become obligated to redeem on a Redemption Date but that it has not redeemed; *provided, however*, that in no event shall more than one-third of the shares of Series B Preferred Stock issued and outstanding as of the First Redemption Date be redeemed during any twelve month period.

(c) *Redemption Price.* The redemption price shall be (x) \$7.40 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares), plus (y) any declared but unpaid dividends on each such share plus (z) a redemption premium of seven percent (7%) of the sum of (x) and (y), (which premium accrues annually) (the "Redemption Price").

(d) *Notice.* Notice of each such redemption (the "Notice of Redemption") shall be mailed not less than twenty (20) nor more than sixty (60) days prior to the applicable Redemption Date to each holder of record of shares of Series B Preferred Stock to be redeemed, at such holder's address as the same may appear on the books of the Corporation. The shares to be redeemed shall be selected pro rata or by lot as determined by the Board of Directors in its sole discretion. The Notice of Redemption shall state the Redemption Price, the Redemption Date, and the place at which the shares called for redemption will, upon presentation and surrender of the certificates of stock evidencing the shares, be redeemed.

(e) *Surrender of Certificates.* On or before each Redemption Date, each holder of shares of Series B Preferred Stock to be redeemed shall (unless such holder has previously exercised his right to convert such shares of Series B Preferred Stock into Common Stock as provided in Section 4.B.(5)), surrender the certificate(s) representing such shares of Series B Preferred Stock to be redeemed to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the redemption price for such shares shall be payable to the order of the person whose name appears on such certificate(s) as the owner thereof, and each surrendered certificate shall be canceled and retired. If less than all of the shares represented by such certificate are redeemed, then the Corporation shall promptly issue a new certificate representing the unredeemed shares.

(f) *Redemption Trust.* On or prior to a Redemption Date, the Corporation may, at its option, deposit with a bank or trust company (a "Redemption Trust") in Tampa, Florida having a capital and surplus of at least one hundred million dollars (\$100,000,000), as a trust fund, a sum equal to the aggregate Redemption Price for all shares of Series B Preferred Stock called for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust company to pay, on or after such Redemption Date, the Redemption Price to the respective holders upon the surrender of their share certificates. From and after the date of such deposit, the

shares so called for redemption shall be redeemed. The deposit shall constitute full payment of the shares to their holders, and from and after the date of the deposit, the shares shall be deemed to be no longer outstanding, and the holders thereof shall cease to be shareholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust company payment of the redemption price of the shares, without interest, upon surrender of their certificates therefor, and the right to convert such shares as provided in Section 4.B.(5). Any funds so deposited and unclaimed at the end of one (1) year from such Redemption Date shall be released or repaid to the Corporation, after which time the holders of shares called for redemption who have not claimed such funds shall be entitled to receive payment of the Redemption Price only from the Corporation.

(g) *Common Stock.* The Common Stock shall not be redeemable by the Corporation.

(9) Notices of Record Date for Series B Preferred Stock. In the event that the Corporation shall propose at any time:

(a) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(b) to offer for subscription *pro rata* to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights;

(c) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or

(d) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all its property or business, or to liquidate, dissolve or wind up, then, in connection with each such event, the Corporation shall send to the holders of the Series B Preferred Stock;

(e) at least 20 days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote in respect of the matters referred to in (c) and (d) above; and

(f) in the case of the matters referred to in (c) and (d) above, at least 20 days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

Each such written notice shall be delivered personally or given by first class mail, postage prepaid, addressed to the holders of the Series B Preferred Stock at the address for each such holder as shown on the books of this Corporation.

(10) Series B Preferred Stock Protective Provisions. In addition to any other rights provided by law, so long as a share of the Series B Preferred Stock shall be outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of not less than a majority of such outstanding shares of Series B Preferred Stock, voting together as a single class:

(a) amend or repeal any provision of the Corporation's Articles of Incorporation or Bylaws;

(b) authorize or issue shares of any class of stock having any right, preference or priority superior to, or on a parity with, the Series B Preferred Stock;

(c) sell, convey, liquidate, or otherwise dispose of or encumber all or a substantial portion of its property or business, or merge into or consolidate with any other corporation (other than a wholly owned subsidiary corporation) or effect any transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the Corporation is disposed of;

(d) increase the authorized number of shares of Series B Preferred Stock;

(e) change the nature of the Corporation's business;

(f) authorize any amounts of indebtedness or guarantees which in the aggregate exceed \$250,000; or

(g) pay or declare a dividend on any security.

(11) Limitations on Reissuance. No share or shares of Series B Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares that the Corporation is authorized to issue.

5. Registered Office and Registered Agent. The street address of the registered office of the corporation is: 5128 U.S. 19, New Port Richey, FL 34652 and the name of the registered agent of the corporation at that address is: Jonathan P. Bentley, Jr.

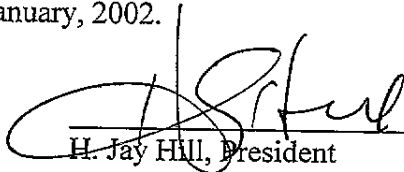
6. Board of Directors. The corporation shall have seven (7) directors.

7. Amendment. Amendments to the Articles of Incorporation shall be first adopted in resolution form by majority vote of the Board of Directors, who shall direct in its proceedings that the proposed amendment be submitted to a vote of the shareholders. At the shareholders' meeting, the affirmative vote of holders of a majority of shares entitled to vote,

including the Preferred Stock voting as a separate class, if any shall be issued and outstanding, shall be required for adoption of the proposed amendment.

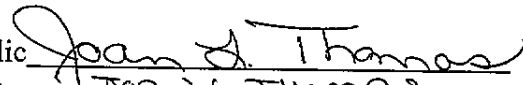
8. **Indemnification.** The Corporation shall indemnify any person who is or was a Director, Officer, employee, or agent of the Corporation or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, to the fullest extent permitted by law.

IN WITNESS WHEREOF, the undersigned has executed these Amended and Restated Articles of Incorporation on this \_\_\_\_ day of January, 2002.

  
H. Jay Hill, President

STATE OF FLORIDA  
COUNTY OF Pasco

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of January, 2002 by H. Jay Hill, as President of LightPort Advisors, Inc., a Florida corporation, on behalf of said corporation. He is [ ☒ ] personally known to me or [ ☐ ] produced \_\_\_\_\_ as identification and did/did not take an oath.

Notary Public   
Print Name: JOAN L. THOMAS  
My commission expires: 10-19-2002

