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Corporation(s) Name

Buildscape, Inc

Amended &  
Restated  
Articles

☐ Profit  
☐ Nonprofit

☒ Amendment

☐ Merger

☐ Foreign  
☐ LLC

☐ Dissolution  
☐ Withdrawal

☐ Mark

☐ Limited Partnership  
☐ Reinstatement  
☐ UCC ☐ 1 or ☐ 3

☐ UBR  
☐ Fictitious Name

☐ Other  
☐ Ch. RA

\*\*\*Special Instructions\*\*

☐ Certified Copy

☐ Photocopies

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☐ Arts/amends/mergers ☐ Other-See Above

☒ Walk in

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Jeffrey Butterfield

Thank You!

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ppr  
5/22/00

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DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS  
TALLAHASSEE, FLORIDA



FLORIDA DEPARTMENT OF STATE

Katherine Harris  
Secretary of State

May 19, 2000

CT Corporation System  
660 East Jefferson St.  
Tallahassee, FL 32301

SUBJECT: BUILDSCAPE, INC.  
Ref. Number: P98000004567

We have received your document for BUILDSCAPE, INC. and your check(s) totaling \$35.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

The document must have original signatures. ✓

If you have any questions concerning the filing of your document, please call (850) 487-6907.

To: → Annette Ramsey  
Corporate Specialist

Letter Number: 100A00028567

From: CAROL CLARK

Annette ... please make sure this is  
backdated to Friday (5-19).

RECEIVED  
00 MAY 22 PM 1:25  
DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS  
TALLAHASSEE, FLORIDA

BUILDSCAPE, INC.

ARTICLES OF AMENDMENT AND RESTATEMENT  
TO  
ARTICLES OF INCORPORATION

FILED  
00 MAY 19 PM 3:24  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

FIRST: These Articles of Amendment and Restatement (the "Articles") are submitted by Buildscape, Inc., a Florida corporation (the "Company"), pursuant to Sections 607.1003, 607.1006 and 607.1007 of the Florida Business Corporation Act (the "Act").

SECOND: The amendment set forth in these Articles were adopted by written consent of the shareholders and directors of the Company, constituting a sufficient number of votes for the amendment to be approved in accordance with Section 607.0821 and 607.0704 of the Act and all other documents purporting to affect its corporate governance, on May 19, 2000.

THIRD: The Company's Articles of Incorporation are amended in their entirety to read as follows:

"BUILDSCAPE, INC.

AMENDED AND RESTATED  
ARTICLES OF INCORPORATION

ARTICLE I. NAME

The name of the Company is Buildscape, Inc.

ARTICLE II. ADDRESS

The street address of the principal office and the mailing address of the Company is:

7800 Belfort Parkway, Suite 100  
Jacksonville, Florida 33256

ARTICLE III. COMMENCEMENT OF EXISTENCE

The existence of the Company began on January 13, 1998.

ARTICLE IV. DURATION

The Company will exist perpetually.

ARTICLE V. PURPOSE

The general purposes for which the Company has been organized are to engage in any activity or business permitted under the laws of the United States and of the State of Florida and to carry out said purposes in any state, territory, district, or possession of the United States, or in any foreign country, to the extent that these purposes are not forbidden by the law of the state, territory, district, or possession of the United States, or by the foreign country.

ARTICLE VI. CAPITAL STOCK

The total number of shares of all classes of stock which the Company shall have authority to issue is 18,000,000, consisting of (i) 12,000,000 shares of common stock, \$.01 par value per share ("Common Stock"), (ii)

3,000,000 shares of Series A Cumulative Convertible Preferred Stock, \$.01 par value per share ("Series A Preferred Stock") and (iii) 3,000,000 shares of Series B Cumulative Convertible Preferred Stock, \$.01 par value per share ("Series B Preferred Stock").

For purposes of determining funds lawfully available for any dividends or other distribution upon shares of stock, amounts needed to satisfy the rights of shareholders upon dissolution who have preferential rights superior to those of shareholders of the stock receiving such dividend or distribution shall not be deducted from the Company's total assets. The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Company.

A. Common Stock.

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights of the holders of the Series A Preferred Stock and Series B Preferred Stock to the extent any shares of the Series A Preferred Stock or Series B Preferred Stock are outstanding.

2. Voting. The holders of the Common Stock are entitled to one vote for each share held at all meetings of shareholders. There shall be no cumulative voting.

3. Dividends. Dividends may be declared and paid on the Common Stock from funds lawfully available therefor as and when determined by the Board of Directors and subject to any preferential dividend rights of any then outstanding Series A Preferred Stock or Series B Preferred Stock.

4. Liquidation. Upon the dissolution or liquidation of the Company, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Company available for distribution to its shareholders, subject to any preferential rights of any then outstanding Series A Preferred Stock or Series B Preferred Stock.

B. Series A Preferred Stock.

1. Designation. This series of preferred stock, par value \$.01 per share, shall be designated the "Series A Cumulative Convertible Preferred Stock" (hereinafter "Series A Preferred Stock").

2. Rank. The Series A Preferred Stock shall, with respect to dividend rights or rights upon liquidation, dissolution and winding-up of the Company, rank (i) *pari passu* with the Series B Preferred Stock (as defined below) and each other series of preferred stock or other class of security of the Company that, if permitted by Section 7 of this Paragraph B, ranks on a parity with the Series A Preferred Stock with respect thereto (the "Parity Stock") and (ii) senior to all Common Stock and all other series or classes of capital stock of the Company (the "Junior Stock").

3. Dividends.

a. The holders of shares of Series A Preferred Stock shall be entitled to receive, out of funds legally available therefor, dividends computed at the rate of \$.60 per share per annum (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares) payable when, as and if declared by the Board of Directors of the Company.

b. The right to receive dividends on the Series A Preferred Stock shall be cumulative and shall accrue (whether or not declared) from the date of issuance. The Company shall not declare or pay any distributions on shares of Junior Stock until the holders of shares of Series A Preferred Stock then outstanding shall have first received a cash dividend at the rate specified in Section 3(a) calculated on a cumulative basis from the date of issuance of said stock compounded annually as of any anniversary of the date of issuance of such shares.

c. For purposes of this Section 3, unless the context requires otherwise, "distribution" shall mean the transfer of cash or property without consideration, whether by way of dividend or otherwise, or the

purchase or redemption of shares of the Company for cash or property, including any such transfer, purchase or redemption by a subsidiary of the Company.

4. Liquidation, Dissolution or Winding-Up.

a. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive \$6.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) of Series A Preferred Stock plus the total amount of all accrued but unpaid dividends payable to such holders.

b. If the amount available for distribution to holders of the Series A Preferred Stock pursuant to this Section 4 and the amount available for distribution to holders of any other Parity Stock is less than sufficient to pay the amount to which each is entitled, the entire assets of the Company available for such distribution shall be distributed ratably (based on the amount due upon liquidation, dissolution or winding up to each) among the holders of the Series A Preferred Stock and the other Parity Stock.

c. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, and provided that the amount available for distribution to holders of the Series A Preferred Stock pursuant to this Section is at least \$6.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) of Series A Preferred Stock plus the total amount of all accrued but unpaid dividends payable to such holders, holders of each share of Series A Preferred Stock shall be entitled to be paid first out of the assets of the Company available for distribution to holders of the Company's capital stock of all classes, whether such assets are capital, surplus, or earnings, before any sums shall be paid or any assets distributed among the holders of any Junior Stock, an amount equal to \$6.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) of Series A Preferred Stock plus the total amount of all accrued but unpaid dividends payable to such holders. After the payment of the preferential amount required to be paid to the holders of the Series A Preferred Stock and other Parity Stock, the remaining assets and finds of the Company shall be distributed pro rata among the holders of the Junior Stock.

d. A consolidation or merger of the Company or a sale of all or substantially all of the assets of the Company shall not be regarded as a liquidation, dissolution or winding up of the affairs of the Company within the meaning of this Section 4.

e. Whenever a distribution provided for herein shall be paid in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors of the Company.

5. Voting Power. Except as otherwise expressly provided herein, or as required by law, each holder of Series A Preferred Stock shall be entitled to vote on all matters to which holders of Common Stock are entitled to vote and shall be entitled to that number of votes equal to the largest number of whole shares of Common Stock into which such holder's shares of Series A Preferred Stock could be converted, pursuant to the provisions of Section 6 hereof, at the record date for the determination of shareholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited. Except as otherwise expressly provided herein or as required by law, the holders of shares of Series A Preferred Stock, Series B Preferred Stock and Common Stock shall be entitled to vote together as a class on all matters.

6. Conversion Rights.

a. General. Subject to and in compliance with the provisions of this Section 6, any shares of the Series A Preferred Stock may, at the option of the holder, be converted at any time or from time to time into fully-paid and non-assessable shares (calculated as to each conversion to the largest whole share) of Common Stock. The number of shares of Common Stock to which a holder of Series A Preferred Stock shall be entitled upon

conversion shall be the product obtained by multiplying the Applicable Conversion Rate (determined as provided in Section 6(c)) by the number of shares of Series A Preferred Stock being converted.

b. Automatic Conversion.

(1) Upon 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 Common Stock for the account of the Company in which the aggregate gross proceeds (before deduction of any underwriting discounts, commissions or expenses) received by the Company from such public offering, shall equal or exceed seventy-five million dollars (\$75,000,000), all outstanding shares of Series A Preferred Stock shall be converted in accordance with the terms of Section 6(a).

(2) Upon the occurrence of the conversion specified in Section 6(b)(1), the holders of such Series A Preferred Stock shall surrender the certificates representing such shares at the office of the Company or of its transfer agent for the Common Stock. Thereupon, there shall be issued and delivered to each such holder a certificate or certificates for the number of shares of Common Stock into which the shares of the Series A Preferred Stock surrendered were convertible on the date on which such conversion occurred. The Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of the Series A Preferred Stock being converted are either delivered to the Company or any such transfer agent or the holder notifies the Company or any such transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection therewith. In addition, the Company may, if the Board of Directors deems it reasonably necessary, require the holder to post a bond in connection with such indemnity agreement. Notwithstanding the foregoing, the shares of Common Stock into which shares of Series A Preferred Stock are converted will be deemed to be outstanding at the time of such conversion, even if a certificate therefor is not issued.

c. Applicable Conversion Rate. The conversion rate in effect at any time (the "Applicable Conversion Rate") shall be the quotient obtained by dividing (i) \$6.00 by (ii) the Applicable Conversion Value, calculated as provided in Section 6(d).

d. Applicable Conversion Value. The Applicable Conversion Value in effect from time to time, except as adjusted in accordance with Section 6(e) hereof, shall be \$6.00 as of the date of this Amendment.

e. Adjustments to Applicable Conversion Value.

(1) Upon Sales of Common Stock. If the Company shall, while there are any shares of Series A Preferred Stock outstanding, issue or sell shares of its Common Stock without consideration or at a price per share less than the Applicable Conversion Value in effect immediately prior to such issuance or sale, then in each such case such Applicable Conversion Value upon each such issuance or sale, except as hereinafter provided, shall be adjusted to an amount determined by multiplying such Applicable Conversion Value by a fraction:

(a) the numerator of which shall be (x) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, calculated on a fully diluted basis assuming exercise or conversion of all securities (including options) exercisable for or convertible into Common Stock, whether or not such exercise or conversion is unvested, plus (y) the number of shares of Common Stock which the net aggregate consideration received by the Company for the total number of such additional shares of Common Stock so issued or deemed issued would purchase at the Applicable Conversion Value in effect immediately prior to such issuance or deemed issuance, and

(b) the denominator of which shall be (x) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, calculated on a fully diluted basis assuming exercise or conversion of all securities (including options) exercisable

for or convertible into Common Stock, whether or not such exercise or conversion is unvested, plus (y) the actual number of such additional shares of Common Stock so issued or deemed issued.

For the purposes of this Section 6(e)(1), the issuance of any warrants, options, subscriptions or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock (or the issuance of any warrants, options or any rights with respect to such convertible or exchangeable securities) shall be deemed an issuance at such time of such Common Stock if the Net Consideration Per Share (as hereinafter determined) which may be received by the Company for such Common Stock shall be less than the Applicable Conversion Value at the time of such issuance. Any obligation, agreement or undertaking to issue warrants, options, subscriptions or purchase rights at any time in the future shall be deemed to be an issuance at any time such obligation, agreement or undertaking is made or arises. No adjustment of the Applicable Conversion Value shall be made under this Section 6(e)(1) upon the issuance of any shares of Common Stock which are issued pursuant to the exercise of any warrants, options, subscriptions or purchase rights or pursuant to the exercise of any conversion or exchange rights in any convertible securities if any adjustment shall previously have been made upon the issuance or deemed issuance of any such warrants, options or subscriptions or purchase rights or upon the issuance of any convertible securities (or upon the issuance of any warrants, options or any rights therefor) as above provided. Any adjustment of the Applicable Conversion Value with respect to this paragraph which relates to warrants, options, subscriptions or purchase rights with respect to shares of Common Stock shall be disregarded if, as, and when any of such warrants, options, subscriptions or purchase rights expire or are canceled without being exercised, so that the Applicable Conversion Value effective immediately upon such cancellation or expiration shall be equal to the Applicable Conversion Value that would have been in effect had the expired or canceled warrants, options, subscriptions or purchase rights never been issued. For purposes of this paragraph, the "Net Consideration Per Share" which may be received by the Company shall be determined as follows:

(a) The "Net Consideration Per Share" shall mean the amount equal to the total amount of consideration, if any, received by the Company for the issuance of such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities, plus the minimum amount of consideration, if any, payable to the Company upon exercise, conversion or exchange thereof, divided by the aggregate number of shares of Common Stock that would be issued if all such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities were exercised, exchanged or converted.

(b) The "Net Consideration Per Share" which may be received by the Company shall be determined in each instance as of the date of issuance of warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities without giving effect to any possible future price adjustments or rate adjustments which may be applicable with respect to such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities.

For purposes of this Section 6(e)(1), if a part or all of the consideration received by the Company in connection with the issuance of shares of the Common Stock or the issuance of any of the securities described in this Section 6(e)(1) consists of property other than cash, then the Net Consideration Per Share shall be calculated using the fair market value of such property, as determined in good faith by the Board of Directors of the Company.

Notwithstanding the foregoing, neither the issuance of options to acquire Common Stock pursuant to the Company's Employee Stock Option Plan, nor the issuance of Common Stock upon exercise of any such options, shall be deemed to constitute an issuance of Common Stock or rights to acquire Common Stock for purposes of this Section 6(e)(1). Additionally, the issuance of any warrants, options, subscriptions or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock (or the issuance of any warrants, options or any rights with respect to such convertible or exchangeable securities) and the creation of any obligation, agreement or undertaking to issue such warrants, options, subscriptions or purchase rights, which, in any such case, conditions the right to acquire Common Stock or to convert or exchange on a material event (other than the mere lapse of time or payment of money), as reasonably determined by the Board of Directors of the Company, shall, for purposes of this Section 6(e)(1) be disregarded until such time as such material condition has been satisfied or waived by the Company, at which time the Applicable Conversion Value shall be adjusted pursuant to this Section 6(e)(1).

This Section 6(e)(1) shall not apply under any of the circumstances which would constitute an Extraordinary Common Stock Event (as hereinafter defined in Section 6(e)(2)).

(2) Upon an Extraordinary Common Stock Event. Upon the happening of an Extraordinary Common Stock Event (as hereinafter defined), the Applicable Conversion Value shall, simultaneously with the happening of such Extraordinary Common Stock Event, be adjusted by multiplying the then effective Applicable Conversion Value by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be the Applicable Conversion Value. The Applicable Conversion Value, as so adjusted, shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Event or Events.

"Extraordinary Common Stock Event" shall mean (i) the issue of additional shares of Common Stock as a dividend or other distribution on outstanding shares of Common Stock, (ii) the subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) the combination of outstanding shares of the Common Stock into a smaller number of shares of Common Stock.

f. Dividends. In the event the Company shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company other than shares of Common Stock or payable in assets (excluding cash dividends), then and in each such event provisions shall be made so that the holders of Series A Preferred Stock shall receive upon conversion thereof in addition to the number of shares of Common Stock receivable thereupon, the number of securities or such other assets of the Company which they would have received had their Series A Preferred Stock been converted into Common Stock on the record date and had they thereafter, during the period from the date of such event to and including the Conversion Date (as that term is hereafter defined in Section 6(j)), retained such securities or such other assets receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this Section 6 with respect to the rights of the holders of the Series A Preferred Stock.

g. Recapitalization or Reclassification. If the Common Stock issuable upon the conversion of the Series A Preferred Stock shall be changed into the same or a different number of shares of any class or classes of stock of the Company, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 6, or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 6), then and in each such event the holder of each share of Series A 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, reclassification or other change by holders of the number of shares of Common Stock into which such share of Series A Preferred Stock might have been converted (taking into account all accrued but unpaid dividends and interest with respect to such Series A Preferred Stock) immediately prior to or on the record date of such reorganization, reclassification or change, all subject to further adjustment as provided herein.

h. Merger or Sale of Assets. If there is (i) any consolidation, merger, or conversion to which the Company is a party, other than a consolidation or a merger that does not result in any reclassification of, or change in, outstanding shares of the Common Stock, (ii) any sale or conveyance to another person of all or substantially all of the assets of the Company, or (iii) any other event that causes the holders of Common Stock to receive a different or additional kind or amount of shares of stock or other securities or other property (other than an event for which an adjustment in the kind and amount of shares of stock or other securities or other property for which the Series A Preferred Stock is convertible is otherwise made pursuant to this Section 6), then the holder of each share of Series A Preferred Stock then outstanding shall have the right upon conversion pursuant to the terms hereof to receive the kind and amount of shares of stock and other securities and property receivable upon such consolidation, merger, sale, conveyance, or other event by a holder of the number of shares of Common Stock issuable upon conversion of such share immediately prior to such consolidation, merger, sale, conveyance, or other event, subject to adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 6. The provisions of this Section 6(h) shall similarly apply to successive consolidations, mergers, conversions, sales, conveyances, and other events.



i. Accountant's Certificate as to Adjustments. In each case of an adjustment or readjustment of the Applicable Conversion Rate, the Company will furnish each holder of Series A Preferred Stock with a certificate, prepared by its chief financial officer, showing such adjustment or readjustment, and stating in detail the facts upon which such adjustment or readjustment is based. Upon the request of any holder, the Company will cause its independent public accountants to confirm the accuracy of such adjustment or readjustment.

j. Exercise of Conversion Privilege. To exercise its conversion privilege under Section 6(a), a holder of Series A Preferred Stock shall surrender the certificate or certificates representing the shares being converted to the Company at its principal office, and shall give written notice to the Company at that office that such holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Series A Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Company or in blank. The date when such written notice is received by the Company, together with the certificate or certificates representing the shares of Series A Preferred Stock being converted, shall be the "Conversion Date." As promptly as practicable after the Conversion Date, the Company shall issue and shall deliver to the holder of the shares of Series A Preferred Stock being converted, or on its written order, such certificate or certificates as it may request for the number of whole shares of Common Stock issuable upon the conversion of such shares of Series A Preferred Stock in accordance with the provisions of this Section 6 and cash, as provided in Section 6(k), in respect of any fraction of a share of Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Conversion Date, and at such time the rights of the holder as holder of the converted shares of Series A Preferred Stock shall cease and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

k. Cash in Lieu of Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon the conversion of shares of Series A Preferred Stock. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of Series A Preferred Stock, the Company shall pay to the holder of the shares of Series A Preferred Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the fair value per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the Conversion Date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series A Preferred Stock being converted at any one time by any holder thereof, not upon each share of Series A Preferred Stock being converted.

l. Partial Conversion. In the event some but not all of the shares of Series A Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the Company shall execute and deliver to or on the order of the holder, at the expense of the Company, a new certificate representing the number of shares of Series A Preferred Stock which were not converted.

m. Reservation of Common Stock. The Company 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 all unpaid dividends thereon, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock and all unpaid dividends thereon, the Company shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

7. Restrictions and Limitations. Except as expressly provided herein or as required by law, neither the Company nor any subsidiary of the Company shall, without the vote or written consent by the holders of a majority of the then outstanding shares of the Series A Preferred Stock voting together, each share of Series A Preferred Stock to be entitled to one vote in each instance for each share of Common Stock into which such Preferred Stock is then convertible:

- a. Redeem, purchase or otherwise acquire for value (or pay in, to or set aside for a sinking fund for such purpose), any share or shares of Series A Preferred Stock, except as provided in these Articles;
- b. Redeem, purchase or otherwise acquire for value (or pay in, to or set aside for a sinking fund for such purpose), any share or shares of any Parity Stock;
- c. Authorize or issue, or obligate itself to authorize or issue, any other equity security senior to or on a parity with the Series A Preferred Stock as to liquidation preferences, conversion rights, redemption rights, dividend rights, voting rights or otherwise;
- d. Effect any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of the Company or any subsidiary thereof, or any consolidation or merger involving the Company if the Company's shareholders immediately prior to such transaction will own immediately after such transaction less than 50 percent of the voting securities of the surviving corporation or its parent;
- e. Amend its Articles of Incorporation, if such amendment would increase or decrease the number of shares of Series A Preferred Stock or Common Stock authorized or materially and adversely change any of the rights, preferences, privileges of or limitations provided for herein for the benefit of any shares of Series A Preferred Stock; or
- f. Cause the Company to be liquidated or dissolved.

8. No Dilution or Impairment. Except as provided in Section 7 above, the Company 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 of the Series A Preferred Stock set forth herein, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the holders of the Series A Preferred Stock against dilution or other impairment. Without limiting the generality of the foregoing, the Company (a) will not increase the par value of any shares of stock receivable on the conversion of the Series A Preferred Stock above the amount payable therefor on such conversion, (b) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of stock on the conversion of all Series A Preferred Stock from time to time outstanding and all accrued and unpaid dividends thereon, and (c) will not transfer all or substantially all of its properties and assets to any other person (corporate or otherwise), or consolidate with or merge into the Company (if the Company is not the surviving person) any other person, unless such other person shall expressly assume in writing and will be bound by all the terms of the Series A Preferred Stock set forth herein.

9. Redemption by Company.

a. Redemption. To the extent the Company has funds legally available for such redemption, the Company, at the option of the board of directors or an authorized board committee, may redeem all (but not less than all) the outstanding shares of Series A Preferred Stock at any time after December 31, 2004, upon notice given as hereinafter specified, at \$6.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) plus accrued and unpaid dividends thereon to the date fixed for redemption. Notice of every redemption of shares of Series A Preferred Stock pursuant to this Section 9(a) (a "Redemption Notice") shall be mailed by first class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the redemption date addressed to the holder(s) of record of the shares to be redeemed; *provided, however,* that the failure to give such Redemption Notice or any defect therein or in the mailing thereof shall not affect the validity of the proceeding for the redemption of any shares to be redeemed except as to the holder to whom the Company has failed to give such notice or except as to the holder to whom notice was defective. Each Redemption Notice shall state: (i) the redemption date; (ii) the redemption price; (iii) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (iv) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

b. **Deposit of Funds.** If a Redemption Notice has been given in accordance with Section 9(a) and if, on or before the redemption date specified in such notice, all funds necessary for such redemption have been placed in trust for the pro rata benefit of the holders of the shares to be redeemed so as to be and to continue to be available therefor, then, from and after the redemption date, dividends on the shares of the Series A Preferred Stock to be redeemed shall cease to accrue and such shares shall no longer be deemed to be outstanding and shall not have the status of shares of Series A Preferred Stock, and all rights of the holders thereof as stockholders of the Company with respect to such shares (except the right to receive from the Company amounts due in connection with such redemption) shall cease. Upon surrender of the certificates for any shares to be redeemed (properly endorsed or assigned for transfer), the Company shall deliver the redemption price described above.

c. **Return of Funds.** Any funds deposited with a bank or trust company for the purpose of redeeming Series A Preferred Stock and unclaimed at the end of one year from the date fixed for redemption shall be repaid to the Company upon its request, after which repayment the holders of shares called for redemption shall look only to the Company for payment of the redemption price. Interest accrued on such funds shall be paid to the Company from time to time.

d. **No Reissuance.** Shares of Series A Preferred Stock that have been issued and reacquired in any manner, including shares purchased or redeemed, shall be deemed retired and shall be canceled and may not under any circumstances thereafter be issued or otherwise disposed of by the Company.

10. Notices of Record Date and Other Events. In the event of:

a. any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, 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, or

b. any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company, or any transfer of all or substantially all of the assets of the Company to any other corporation, or any other entity or person, or

c. any voluntary or involuntary dissolution, liquidation or winding up of the Company, then and in each such event the Company shall mail or cause to be mailed to each holder of Series A Preferred Stock a notice specifying, as appropriate, (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and a description of such dividend, distribution or right or (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding up is expected to become effective and (iii) the time, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding up. Such notice shall be mailed at least twenty (20) days prior to the date specified in such notice on which such action is to be taken.

C. Series B Preferred Stock.

1. Designation. This series of preferred stock, par value \$.01 per share, shall be designated the "Series B Cumulative Convertible Preferred Stock" (hereinafter "Series B Preferred Stock").

2. Rank. The Series B Preferred Stock shall, with respect to dividend rights or rights upon liquidation, dissolution and winding-up of the Company, rank (i) *pari passu* with the Parity Stock and (ii) senior to all Junior Stock.

### 3. Dividends.

a. The holders of shares of Series B Preferred Stock shall be entitled to receive, out of funds legally available therefor, dividends computed at the rate of \$9.00 per share per annum (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares) payable when, as and if declared by the Board of Directors of the Company.

b. The right to receive dividends on the Series B Preferred Stock shall be cumulative and shall accrue (whether or not declared) from the date of issuance. The Company shall not declare or pay any distributions on shares of Junior Stock until the holders of shares of Series B Preferred Stock then outstanding shall have first received a cash dividend at the rate specified in Section 3(a) calculated on a cumulative basis from the date of issuance of said stock compounded annually as of any anniversary of the date of issuance of such shares.

c. For purposes of this Section 3, unless the context requires otherwise, "distribution" shall mean the transfer of cash or property without consideration, whether by way of dividend or otherwise, or the purchase or redemption of shares of the Company for cash or property, including any such transfer, purchase or redemption by a subsidiary of the Company.

### 4. Liquidation, Dissolution or Winding-Up.

a. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of Series B Preferred Stock shall be entitled to receive \$9.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) of Series B Preferred Stock plus the total amount of all accrued but unpaid dividends payable to such holders.

b. If the amount available for distribution to holders of the Series B Preferred Stock pursuant to this Section 4 and the amount available for distribution to holders of any other Parity Stock is less than sufficient to pay the amount to which each is entitled, the entire assets of the Company available for such distribution shall be distributed ratably (based on the amount due upon liquidation, dissolution or winding up to each) among the holders of the Series B Preferred Stock and the other Parity Stock.

c. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, and provided that the amount available for distribution to holders of the Series B Preferred Stock pursuant to this Section is at least \$9.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) of Series B Preferred Stock plus the total amount of all accrued but unpaid dividends payable to such holders, holders of each share of Series B Preferred Stock shall be entitled to be paid first out of the assets of the Company available for distribution to holders of the Company's capital stock of all classes, whether such assets are capital, surplus, or earnings, before any sums shall be paid or any assets distributed among the holders of any Junior Stock, an amount equal to \$9.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) of Series B Preferred Stock plus the total amount of all accrued but unpaid dividends payable to such holders. After the payment of the preferential amount required to be paid to the holders of the Series B Preferred Stock and other Parity Stock, the remaining assets and funds of the Company shall be distributed pro rata among the holders of the Junior Stock.

d. A consolidation or merger of the Company or a sale of all or substantially all of the assets of the Company shall not be regarded as a liquidation, dissolution or winding up of the affairs of the Company within the meaning of this Section 4.

e. Whenever a distribution provided for herein shall be paid in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors of the Company.

5. Voting Power. Except as otherwise expressly provided herein, or as required by law, each holder of Series B Preferred Stock shall be entitled to vote on all matters to which holders of Common Stock are entitled to vote and shall be entitled to that number of votes equal to the largest number of whole shares of Common Stock into which such holder's shares of Series B Preferred Stock could be converted, pursuant to the provisions of Section 7 hereof, at the record date for the determination of shareholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited. Except as otherwise expressly provided herein or as required by law, the holders of shares of Series B Preferred Stock, Series A Preferred Stock and Common Stock shall be entitled to vote together as a class on all matters.

6. Series B Directors. The holders of Series B Preferred Stock, voting as a separate class, shall be entitled to elect three members of the Company's Board of Directors.

7. Conversion Rights.

a. General. Subject to and in compliance with the provisions of this Section 7, any shares of the Series B Preferred Stock may, at the option of the holder, be converted at any time or from time to time into fully-paid and non-assessable shares (calculated as to each conversion to the largest whole share) of Common Stock. The number of shares of Common Stock to which a holder of Series B Preferred Stock shall be entitled upon conversion shall be the product obtained by multiplying the Applicable Conversion Rate (determined as provided in Section 7(c)) by the number of shares of Series B Preferred Stock being converted.

b. Automatic Conversion.

(1) Upon 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 Common Stock for the account of the Company in which the aggregate gross proceeds (before deduction of any underwriting discounts, commissions or expenses) received by the Company from such public offering, shall equal or exceed seventy-five million dollars (\$75,000,000), all outstanding shares of Series B Preferred Stock shall be converted in accordance with the terms of Section 7(a).

(2) Upon the occurrence of the conversion specified in Section 7(b)(1), the holders of such Series B Preferred Stock shall surrender the certificates representing such shares at the office of the Company or of its transfer agent for the Common Stock. Thereupon, there shall be issued and delivered to each such holder a certificate or certificates for the number of shares of Common Stock into which the shares of the Series B Preferred Stock surrendered were convertible on the date on which such conversion occurred. The Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of the Series B Preferred Stock being converted are either delivered to the Company or any such transfer agent or the holder notifies the Company or any such transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection therewith. In addition, the Company may, if the Board of Directors deems it reasonably necessary, require the holder to post a bond in connection with such indemnity agreement. Notwithstanding the foregoing, the shares of Common Stock into which shares of Series B Preferred Stock are converted will be deemed to be outstanding at the time of such conversion, even if a certificate therefor is not issued.

c. Applicable Conversion Rate. The conversion rate in effect at any time (the "Applicable Conversion Rate") shall be the quotient obtained by dividing (i) \$9.00 by (ii) the Applicable Conversion Value, calculated as provided in Section 7(d).

d. Applicable Conversion Value. The Applicable Conversion Value in effect from time to time, except as adjusted in accordance with Section 7(e) hereof, shall be \$9.00 as of the date of this Amendment.

e. Adjustments to Applicable Conversion Value.

(1) Upon Sales of Common Stock. If the Company shall, while there are any shares of Series B Preferred Stock outstanding, issue or sell shares of its Common Stock without consideration or at a price per share less than the Applicable Conversion Value in effect immediately prior to such issuance or sale, then in each such case such Applicable Conversion Value upon each such issuance or sale, except as hereinafter provided, shall be adjusted to an amount determined by multiplying such Applicable Conversion Value by a fraction:

(a) the numerator of which shall be (x) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, calculated on a fully diluted basis assuming exercise or conversion of all securities (including options) exercisable for or convertible into Common Stock, whether or not such exercise or conversion is unvested, plus (y) the number of shares of Common Stock which the net aggregate consideration received by the Company for the total number of such additional shares of Common Stock so issued or deemed issued would purchase at the Applicable Conversion Value in effect immediately prior to such issuance or deemed issuance, and

(b) the denominator of which shall be (x) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, calculated on a fully diluted basis assuming exercise or conversion of all securities (including options) exercisable for or convertible into Common Stock, whether or not such exercise or conversion is unvested, plus (y) the actual number of such additional shares of Common Stock so issued or deemed issued.

For the purposes of this Section 7(e)(1), the issuance of any warrants, options, subscriptions or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock (or the issuance of any warrants, options or any rights with respect to such convertible or exchangeable securities) shall be deemed an issuance at such time of such Common Stock if the Net Consideration Per Share (as hereinafter determined) which may be received by the Company for such Common Stock shall be less than the Applicable Conversion Value at the time of such issuance. Any obligation, agreement or undertaking to issue warrants, options, subscriptions or purchase rights at any time in the future shall be deemed to be an issuance at any time such obligation, agreement or undertaking is made or arises. No adjustment of the Applicable Conversion Value shall be made under this Section 7(e)(1) upon the issuance of any shares of Common Stock which are issued pursuant to the exercise of any warrants, options, subscriptions or purchase rights or pursuant to the exercise of any conversion or exchange rights in any convertible securities if any adjustment shall previously have been made upon the issuance or deemed issuance of any such warrants, options or subscriptions or purchase rights or upon the issuance of any convertible securities (or upon the issuance of any warrants, options or any rights therefor) as above provided. Any adjustment of the Applicable Conversion Value with respect to this paragraph which relates to warrants, options, subscriptions or purchase rights with respect to shares of Common Stock shall be disregarded if, as, and when any of such warrants, options, subscriptions or purchase rights expire or are canceled without being exercised, so that the Applicable Conversion Value effective immediately upon such cancellation or expiration shall be equal to the Applicable Conversion Value that would have been in effect had the expired or canceled warrants, options, subscriptions or purchase rights never been issued. For purposes of this paragraph, the "Net Consideration Per Share" which may be received by the Company shall be determined as follows:

(a) The "Net Consideration Per Share" shall mean the amount equal to the total amount of consideration, if any, received by the Company for the issuance of such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities, plus the minimum amount of consideration, if any, payable to the Company upon exercise, conversion or exchange thereof, divided by the aggregate number of shares of Common Stock that would be issued if all such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities were exercised, exchanged or converted.

(b) The "Net Consideration Per Share" which may be received by the Company shall be determined in each instance as of the date of issuance of warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities without giving effect to any possible future price adjustments or rate adjustments which may be applicable with respect to such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities.

For purposes of this Section 7(e)(1), if a part or all of the consideration received by the Company in connection with the issuance of shares of the Common Stock or the issuance of any of the securities described in this Section 7(e)(1) consists of property other than cash, then the Net Consideration Per Share shall be calculated using the fair market value of such property, as determined in good faith by the Board of Directors of the Company.

Notwithstanding the foregoing, neither the issuance of options to acquire Common Stock pursuant to the Company's Employee Stock Option Plan, nor the issuance of Common Stock upon exercise of any such options, shall be deemed to constitute an issuance of Common Stock or rights to acquire Common Stock for purposes of this Section 7(e)(1). Additionally, the issuance of any warrants, options, subscriptions or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock (or the issuance of any warrants, options or any rights with respect to such convertible or exchangeable securities) and the creation of any obligation, agreement or undertaking to issue such warrants, options, subscriptions or purchase rights, which, in any such case, conditions the right to acquire Common Stock or to convert or exchange on a material event (other than the mere lapse of time or payment of money), as reasonably determined by the Board of Directors of the Company, shall, for purposes of this Section 7(e)(1) be disregarded until such time as such material condition has been satisfied or waived by the Company, at which time the Applicable Conversion Value shall be adjusted pursuant to this Section 7(e)(1).

This Section 7(e)(1) shall not apply under any of the circumstances which would constitute an Extraordinary Common Stock Event (as hereinafter defined in Section 7(e)(2)).

(2) Upon an Extraordinary Common Stock Event. Upon the happening of an Extraordinary Common Stock Event (as hereinafter defined), the Applicable Conversion Value shall, simultaneously with the happening of such Extraordinary Common Stock Event, be adjusted by multiplying the then effective Applicable Conversion Value by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be the Applicable Conversion Value. The Applicable Conversion Value, as so adjusted, shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Event or Events.

"Extraordinary Common Stock Event" shall mean (i) the issue of additional shares of Common Stock as a dividend or other distribution on outstanding shares of Common Stock, (ii) the subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) the combination of outstanding shares of the Common Stock into a smaller number of shares of Common Stock.

f. Dividends. In the event the Company shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company other than shares of Common Stock or payable in assets (excluding cash dividends), then and in each such event provisions 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 number of securities or such other assets of the Company which they would have received had their Series B Preferred Stock been converted into Common Stock on the record date and had they thereafter, during the period from the date of such event to and including the Conversion Date (as that term is hereafter defined in Section 7(j)), retained such securities or such other assets receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this Section 7 with respect to the rights of the holders of the Series B Preferred Stock.

g. Recapitalization or Reclassification. If the Common Stock issuable upon the conversion of the Series B Preferred Stock shall be changed into the same or a different number of shares of any class or classes of stock of the Company, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 7, or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 7), 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, reclassification or other change by holders of the number of shares of Common Stock into which such share of Series B Preferred

Stock might have been converted (taking into account all accrued but unpaid dividends and interest with respect to such Series B Preferred Stock) immediately prior to or on the record date of such reorganization, reclassification or change, all subject to further adjustment as provided herein.

h. Merger or Sale of Assets. If there is (i) any consolidation, merger, or conversion to which the Company is a party, other than a consolidation or a merger that does not result in any reclassification of, or change in, outstanding shares of the Common Stock, (ii) any sale or conveyance to another person of all or substantially all of the assets of the Company, or (iii) any other event that causes the holders of Common Stock to receive a different or additional kind or amount of shares of stock or other securities or other property (other than an event for which an adjustment in the kind and amount of shares of stock or other securities or other property for which the Series B Preferred Stock is convertible is otherwise made pursuant to this Section 7), then the holder of each share of Series B Preferred Stock then outstanding shall have the right upon conversion pursuant to the terms hereof to receive the kind and amount of shares of stock and other securities and property receivable upon such consolidation, merger, sale, conveyance, or other event by a holder of the number of shares of Common Stock issuable upon conversion of such share immediately prior to such consolidation, merger, sale, conveyance, or other event, subject to adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 7. The provisions of this Section 7(h) shall similarly apply to successive consolidations, mergers, conversions, sales, conveyances, and other events.

i. Accountant's Certificate as to Adjustments. In each case of an adjustment or readjustment of the Applicable Conversion Rate, the Company will furnish each holder of Series B Preferred Stock with a certificate, prepared by its chief financial officer, showing such adjustment or readjustment, and stating in detail the facts upon which such adjustment or readjustment is based. Upon the request of any holder, the Company will cause its independent public accountants to confirm the accuracy of such adjustment or readjustment.

j. Exercise of Conversion Privilege. To exercise its conversion privilege under Section 7(a), a holder of Series B Preferred Stock shall surrender the certificate or certificates representing the shares being converted to the Company at its principal office, and shall give written notice to the Company at that office that such holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Series B Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Company or in blank. The date when such written notice is received by the Company, together with the certificate or certificates representing the shares of Series B Preferred Stock being converted, shall be the "Conversion Date." As promptly as practicable after the Conversion Date, the Company shall issue and shall deliver to the holder of the shares of Series B Preferred Stock being converted, or on its written order, such certificate or certificates as it may request for the number of whole shares of Common Stock issuable upon the conversion of such shares of Series B Preferred Stock in accordance with the provisions of this Section 7 and cash, as provided in Section 7(k), in respect of any fraction of a share of Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Conversion Date, and at such time the rights of the holder as holder of the converted shares of Series B Preferred Stock shall cease and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

k. Cash in Lieu of Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon the conversion of shares of Series B Preferred Stock. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of Series B Preferred Stock, the Company shall pay to the holder of the shares of Series B Preferred Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the fair value per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the Conversion Date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series B Preferred Stock being converted at any one time by any holder thereof, not upon each share of Series B Preferred Stock being converted.

l. Partial Conversion. In the event some but not all of the shares of Series B Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the Company shall execute



and deliver to or on the order of the holder, at the expense of the Company, a new certificate representing the number of shares of Series B Preferred Stock which were not converted.

m. Reservation of Common Stock. The Company 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 all unpaid dividends thereon, 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 and all unpaid dividends thereon, the Company shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

8. Restrictions and Limitations. Except as expressly provided herein or as required by law, neither the Company nor any subsidiary of the Company shall, without the vote or written consent by the holders of a majority of the then outstanding shares of the Series B Preferred Stock voting together, each share of Series B Preferred Stock to be entitled to one vote in each instance for each share of Common Stock into which such Preferred Stock is then convertible:

a. Redeem, purchase or otherwise acquire for value (or pay in, to or set aside for a sinking fund for such purpose), any share or shares of Series B Preferred Stock, except as provided in these Articles;

b. Redeem, purchase or otherwise acquire for value (or pay in, to or set aside for a sinking fund for such purpose), any Parity Stock;

c. Authorize or issue, or obligate itself to authorize or issue, any other equity security senior to or on a parity with the Series B Preferred Stock as to liquidation preferences, conversion rights, redemption rights, dividend rights, voting rights or otherwise;

d. Effect any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of the Company or any subsidiary thereof, or any consolidation or merger involving the Company if the Company's shareholders immediately prior to such transaction will own immediately after such transaction less than 50 percent of the voting securities of the surviving corporation or its parent;

e. Amend its Articles of Incorporation, if such amendment would increase or decrease the number of shares of Series B Preferred Stock or Common Stock authorized or materially and adversely change any of the rights, preferences, privileges of or limitations provided for herein for the benefit of any shares of Series B Preferred Stock; or

f. Cause the Company to be liquidated or dissolved.

9. No Dilution or Impairment. Except as provided in Section 8 above, the Company 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 of the Series B Preferred Stock set forth herein, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the holders of the Series B Preferred Stock against dilution or other impairment. Without limiting the generality of the foregoing, the Company (a) will not increase the par value of any shares of stock receivable on the conversion of the Series B Preferred Stock above the amount payable therefor on such conversion, (b) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable shares of stock on the conversion of all Series B Preferred Stock from time to time outstanding and all accrued and unpaid dividends thereon, and (c) will not transfer all or substantially all of its properties and assets to any other person (corporate or otherwise), or consolidate with or merge into the Company (if the Company is not the surviving person) any other person, unless such other person shall expressly assume in writing and will be bound by all the terms of the Series B Preferred Stock set forth herein.

10. Redemption by Company.

a. **Redemption.** To the extent the Company has funds legally available for such redemption, the Company, at the option of the board of directors or an authorized board committee, may redeem all (but not less than all) the outstanding shares of Series B Preferred Stock at any time after December 31, 2004, upon notice given as hereinafter specified, at \$9.00 per share (such amount to be equitably adjusted whenever there shall occur a stock split, combination, reclassification or other similar event) plus accrued and unpaid dividends thereon to the date fixed for redemption. Notice of every redemption of shares of Series B Preferred Stock pursuant to this Section 10(a) (a "Redemption Notice") shall be mailed by first class mail, postage prepaid, not less than 20 days nor more than 60 days prior to the redemption date addressed to the holder(s) of record of the shares to be redeemed; *provided, however*, that the failure to give such Redemption Notice or any defect therein or in the mailing thereof shall not affect the validity of the proceeding for the redemption of any shares to be redeemed except as to the holder to whom the Company has failed to give such notice or except as to the holder to whom notice was defective. Each Redemption Notice shall state: (i) the redemption date; (ii) the redemption price; (iii) the place or places where certificates for such shares are to be surrendered for payment of the redemption price; and (iv) that dividends on the shares to be redeemed will cease to accrue on such redemption date.

b. **Deposit of Funds.** If a Redemption Notice has been given in accordance with Section 10(a) and if, on or before the redemption date specified in such notice, all funds necessary for such redemption have been placed in trust for the pro rata benefit of the holders of the shares to be redeemed so as to be and to continue to be available therefor, then, from and after the redemption date, dividends on the shares of the Series B Preferred Stock to be redeemed shall cease to accrue and such shares shall no longer be deemed to be outstanding and shall not have the status of shares of Series B Preferred Stock, and all rights of the holders thereof as stockholders of the Company with respect to such shares (except the right to receive from the Company amounts due in connection with such redemption) shall cease. Upon surrender of the certificates for any shares to be redeemed (properly endorsed or assigned for transfer), the Company shall deliver the redemption price described above.

c. **Return of Funds.** Any funds deposited with a bank or trust company for the purpose of redeeming Series B Preferred Stock and unclaimed at the end of one year from the date fixed for redemption shall be repaid to the Company upon its request, after which repayment the holders of shares called for redemption shall look only to the Company for payment of the redemption price. Interest accrued on such funds shall be paid to the Company from time to time.

d. **No Reissuance.** Shares of Series B Preferred Stock that have been issued and reacquired in any manner, including shares purchased or redeemed, shall be deemed retired and shall be canceled and may not under any circumstances thereafter be issued or otherwise disposed of by the Company.

11. Notices of Record Date and Other Events. In the event of:

a. any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, 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, or

b. any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company, or any transfer of all or substantially all of the assets of the Company to any other corporation, or any other entity or person, or

c. any voluntary or involuntary dissolution, liquidation or winding up of the Company, then and in each such event the Company shall mail or cause to be mailed to each holder of Series B Preferred Stock a notice specifying, as appropriate, (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and a description of such dividend, distribution or right or (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding up is expected to become effective and (iii) the time, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other

securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, consolidation, merger, dissolution, liquidation or winding up. Such notice shall be mailed at least twenty (20) days prior to the date specified in such notice on which such action is to be taken.

#### ARTICLE VII. REGISTERED OFFICE AND AGENT

The street address of the registered office of the Company is 7800 Belfort Parkway, Suite 100, Jacksonville, Florida 32256 and Catherine J. Gray is the Company's registered agent at that address to accept service of process within this state.

#### ARTICLE VIII. DIRECTORS

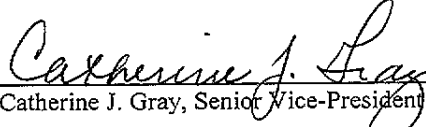
The number of directors may be either increased or diminished from time to time, as provided in the bylaws, but will never be less than one.

#### ARTICLE IX. INDEMNIFICATION

A. The Company shall indemnify any person who is or was a party to any proceeding by reason of the fact that such person is or was a director or officer of the Company or its subsidiaries, to the fullest extent not prohibited by law, for actions taken in the capacity of such person as a director or officer of the Company or its subsidiaries. To the fullest extent not prohibited by law, the Company shall advance indemnification expenses for actions taken in the capacity of such person as an officer or director, within twenty (20) days after receipt by the Company of (i) a written statement requesting such advance, (ii) evidence of the expenses incurred, and (iii) a written statement by or on behalf of such person agreeing to repay the advanced expenses if it is ultimately determined that such person is not entitled to be indemnified against such expenses.

B. The Company, by action of the Board of Directors, in its sole discretion, may indemnify any person who is or was a party to any proceeding, by reason of the fact that such person is or was an employee or agent of the Company or its subsidiaries, to the fullest extent not prohibited by law, for actions taken in the capacity of such person as an employee or agent of the Company or its subsidiaries. The Company, by action of the Board of Directors, in its sole discretion, may advance indemnification expenses for actions taken in the capacity of such person as an employee or agent, after receipt by the Company of (i) a written statement requesting such advance, (ii) evidence of the expenses incurred, and (iii) a written statement by or on behalf of such person agreeing to repay the advanced expenses if it is ultimately determined that such person is not entitled to be indemnified against such expenses. Absent specific action by the Board of Directors, the authority granted to the Board of Directors in this paragraph B shall create no rights in the persons eligible for indemnification or advancement of expenses and shall create no obligations of the Company relating thereto."

IN WITNESS WHEREOF, the undersigned Senior Vice-President of the Company has executed this instrument this 19th day of May, 2000.

  
Catherine J. Gray, Senior Vice-President