

FROM

Division of Corporations

(WED) 4.25'01 9:09/ST. 9:08/NO. 4863333377 P 1

Page 1 of 1

P99000057655

Florida Department of State

Division of Corporations

Public Access System

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BASIC AMENDMENT

KNOWLEDGEVIEW TECHNOLOGIES, INC.

Amendment

Certificate of Status	1
Certified Copy	0
Page Count	23

4/25/01

FROM

Division of Corporations

(WED) 4.25'01 9:09/ST. 9:08/NO. 4863333377 P 2

Page 2 of 2

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FROM

(WED) 4.25'01 9:10/ST. 9:08/NO. 4863333377 P 6
(((H01000046010 4)))

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**THIRD ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
KNOWLEDGEVIEW TECHNOLOGIES, INC.**

The Corporation's Board of Directors approved the amendment set forth below to the Articles of Incorporation of KnowledgeView Technologies, Inc., without shareholder approval, pursuant to authority in Section 5.2.2 of the Corporation's Articles of Incorporation, by a written consent dated as of February 27, 2001.

FIRST: The Corporation's name is: **KNOWLEDGEVIEW TECHNOLOGIES, INC.**

SECOND: The Corporation amends Article V, Section 5.4 of its Articles of Incorporation in its entirety to read as follows:

5.4 Series B Preferred Stock.

1. **Dividends.** The holders of record of shares of Series B Preferred Stock will be entitled to receive dividends (the "**Series B Dividends**") payable out of funds legally available therefor) at a rate of six percent (6%) per annum on the amount of \$2.836 per share (as adjusted for any stock dividends, combinations, or splits with respect to such shares) (the "**Series B Stated Amount**"), if, as, and when determined by the Board of Directors. The Corporation shall not redeem, pay any dividends, or make any other distributions with respect to the Series B Junior Securities (as defined below), without the consent of a majority of the holders of Series B Preferred Stock, but the Corporation may redeem, pay any dividends, or make any other distributions with respect to the Series C Preferred Stock (as defined in Article V, Section 5.5 below) without the consent of any holders of Series B Preferred Stock. Payment of the Series B Dividends is subject to approval of the holders of Series C Preferred Stock pursuant to Article V, Section 5.5. below.

2. Ranking; Preference on Liquidation.

(a) **Ranking.** The Series B Preferred Stock ranks senior to every other class or series of the Corporation's Common Stock and each other class and series of its preferred stock, whether already existing or later created, including the Series A Preferred Stock, but not including the Series C Preferred Stock (which ranks senior to the Series B Preferred Stock) (collectively, the "**Series B Junior Securities**").

(b) **Payment on Liquidation.** If the Corporation liquidates, dissolves, or winds up its affairs (voluntarily or involuntarily) (a "**Liquidation Event**"), after paying or providing for payment of its debts and other liabilities and for payment of the liquidation

FROM

(WED) 4.25'01 9:10/ST. 9:08/NO.486333377 P 7
(((H01000046010 4)))

preference payable with respect to the Series C Preferred Stock under Section 5.5(2) below, the Corporation shall pay to the holders of Series B Preferred Stock, before paying any amount to the holders of Series B Junior Securities, a cash amount for each share of Series B Preferred Stock equal to the Series B Stated Amount (as adjusted pursuant to Section 1 above), plus an amount equal to 6% per annum on the Series B Stated Amount, compounded monthly from June 9, 2000 through the payment date, less any dividends paid (with the pro rata share of remaining assets legally available for distribution as described below, the "Series B Liquidation Price"). If its assets to be distributed among the holders of Series B Preferred Stock on a Liquidation Event are insufficient to permit the Corporation to pay the full Series B Liquidation Price for each share of Series B Preferred Stock, the Corporation shall distribute its assets among the holders of Series B Preferred Stock ratably based on the respective amounts each such holder is otherwise entitled to receive. The holders of Series A Preferred Stock will be entitled to receive in preference to the holders of the Common Stock (but after the payments to the Series C Preferred Stock holders pursuant to Section 5.5(2)(b) below and after the payments to the Series B Preferred Stock holders pursuant to this Section) an amount equal to the liquidation preference payable with respect to their shares pursuant to Section 5.3.7 of these Articles of Incorporation. After the foregoing distributions to the holders of the Series C Preferred Stock, Series B Preferred Stock, and Series A Preferred Stock, each record holder of Common Stock that was outstanding as of June 9, 2000 will be entitled to receive an amount equal to the purchase price paid by the holder for the Common Stock (on initial issuance or subsequent purchase) in the latest transaction reported to the Corporation before June 9, 2000; provided, however, that (a) the aggregate amount payable to holders of Common Stock pursuant to this provision will not exceed \$1,000,000; and (b) persons who first acquired shares of Common Stock after June 9, 2000 will not be entitled to participate in this distribution (i.e., no amount will be payable with respect to Common Stock issued or transferred after June 9, 2000). After the foregoing distributions to holders of Series C Preferred Stock, Series B Preferred Stock, Series A Preferred Stock, and Common Stock, all shareholders will share any remaining assets of the Corporation legally available for distribution on an as-converted basis. If, before February 27, 2006, the Corporation is sold or liquidated for cash or publicly tradable stock that on a fully diluted per share value is greater than 300% of the Stated Value for the Series B Preferred Stock (as adjusted), the holders of all securities (including the Common Stock, Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock) will share in the proceeds ratably with all other holders on an as-converted basis.

(c) **Deemed Liquidation Event.** The following will, at the option of the holders of a majority of Series B Preferred Stock, be deemed to be a Liquidation Event and trigger the Corporation's obligation to pay the Series B Liquidation Price: (1) a merger or consolidation of the Corporation with or into one or more corporations or other entities that results in the exchange of more than 49% of the outstanding shares of the fully diluted outstanding shares of the Corporation outstanding immediately before the merger or consolidation for securities or other consideration issued or paid by the other corporation; (2) the sale or transfer of all or substantially all of the assets of the Corporation; or (3) the resale by shareholders of Common Stock cumulatively constituting 49% or more of the shares of Common Stock outstanding when the Series B Preferred Stock was initially issued. The Corporation shall notify the holders of Series B Preferred Stock in writing (the "Liquidation Event Notice") not later than twenty (20) days before the shareholders' meeting called to approve the Liquidation

FROM

(WED) 4.25'01 9:10/ST. 9:08/NO. 4863333377 P 8
(((H01000046010 4)))

Event, if any, or within twenty (20) days before closing of the transaction, whichever is earlier, and shall also notify the holders in writing of the final approval of the transaction. The first of these notices shall describe the material terms and conditions of the pending transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The option of the holders of Series B Preferred Stock to have the foregoing events treated as Liquidation Events may be exercised by written notice given to the Corporation by holders of a majority of the outstanding shares of Series B Preferred Stock within thirty (30) days of the notifying holders' receipt of the Liquidation Event Notice. If the requirements of this subsection 2(c) are not complied with in connection with the Liquidation Event, the Corporation shall either:

(1) cause the closing of the deemed Liquidation Event to be postponed until the requirements of this subsection (c) have been complied with; or

(2) cancel such transaction that constituted a deemed Liquidation Event, in which event the rights, preferences and privileges of the holders of the Series B Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately before the date of the first notice referred to in subsection (c).

(d) Payment and Adjustment of the Series B Liquidation Price. The Corporation shall pay the Series B Liquidation Price to the holders of Series B Preferred Stock within fifteen (15) days after the Corporation's receipt of notices from holders of a majority of holders of Series B Preferred Stock of their option to have an event treated as a Liquidation Event under Section 2(c). The Corporation shall pay interest to each holder of Series B Preferred Stock at an annual rate of 18% on any part of the Series B Liquidation Price not paid when due.

3. Redemption.

(a) Generally. Subject to the terms and conditions of this section, holders of Series B Preferred Stock may require the Corporation to redeem its shares of Series B Preferred Stock with cash at the redemption price per share determined pursuant to paragraph (c) of this Section 3 (the "Series B Redemption Price"). At any time after June 30, 2005, holders of a majority of the outstanding shares of Series B Preferred Stock may require the Corporation to redeem the shares of such stock that they held as of that date. During the period between January 1, 2005, and January 31, 2005, the Corporation shall notify each holder of Series B Preferred Stock of the availability of this redemption option and specify the Series B Redemption Price (including a preliminary estimate of fair market value). Further, the holders of a majority of the outstanding shares of Series B Preferred Stock may, at their option, require the Corporation to redeem its shares of Series B Preferred Stock on the occurrence of an Event of Default, as defined in the Series B Preferred Stock Investment Agreement dated as of June 9, 2000. The holders of Series B Preferred Stock will not be entitled to have their shares redeemed pursuant to this section until after the Corporation redeems all of the shares of Series C Preferred Stock, if any, that holders thereof request to be redeemed.

(b) Notice from the Series B Preferred Stock Holder. The Corporation shall effectuate a required redemption within 60 days after its receipt from persons holding at least a majority of the Series B Preferred Stock of a notice specifying the following: (1) the date

(((H01000046010 4)))

of the requested redemption (the "Series B Redemption Date"); and (2) unless all shares eligible for redemption are to be redeemed, the number of shares of Series B Preferred Stock to be redeemed (the "Series B Redeemed Shares"). A holder of Series B Preferred Stock may cancel its notice with respect to a redemption (and nullify the related redemption) by notifying the Corporation at least ten (10) days before the scheduled Series B Redemption Date or within five days following any later date on which the Series B Redemption Price is finally determined.

(c) Series B Redemption Price.

(1) Generally. The Series B Redemption Price of the Series B Preferred Stock will be the higher of the following: (1) the fair market value of the Series B Redeemed Shares on the Series B Redemption Date, as determined by independent appraisal (in accordance with the procedure described below), plus an amount equal to 6% per annum on the Series B Stated Amount, compounded monthly from the closing date of the investment through the payment date, less any dividends paid; or (2) the Series B Stated Amount (as adjusted pursuant to Section 1 above), plus an amount equal to 6% per annum on the Series B Stated Amount, compounded monthly from the closing date of the investment through the payment date, less any dividends paid.

(2) Fair Market Value. Within ten days after its receipt of notice of a Series B Redemption Date, the Corporation shall cause its Board of Directors to establish the fair market value of the Series B Redeemed Shares in good faith and notify each holder of Series B Redeemed Shares of this value. The holders of at least one half of the Series B Redeemed Shares may, within 20 days thereafter, notify the Corporation that they disagree with this value and request an appraisal process. Within 20 days thereafter, each of the Corporation and holders of a majority of the Series B Redeemed Shares shall designate an appraiser experienced in the business of evaluating or appraising the market value of stock. The two designated appraisers (for purposes of this Section, the "Initial Appraisers") shall, before the Series B Redemption Date, appraise the Series B Redeemed Shares as of the latest possible date, without discounting the Series B Redeemed Shares for illiquidity or minority ownership interest. If the difference between the resulting appraisals is less than twenty percent (20%), the average of the appraisals will be deemed the fair market value; otherwise, the Initial Appraisers shall select an additional appraiser (for purposes of this Section, the "Additional Appraiser"), also experienced in a manner similar to the Initial Appraisers. If they fail to select the Additional Appraiser within 15 days, either the Corporation or the holders of the Series B Redeemed Shares may apply, after written notice to the other, to any judge of any court of general jurisdiction in Hillsborough County, Florida, for the appointment of the Additional Appraiser. The Additional Appraiser shall then choose from the values determined by the Initial Appraisers the value that the Additional Appraiser considers closest to the fair market value of the Series B Preferred Stock, and this value will be the Appraised Value. The Additional Appraiser shall notify the Corporation and the holders of Series B Preferred Stock of his or her determination within 30 days following appointment. Each party shall pay the expenses and fees of the appraiser selected by the party (ratably based on share ownership for the holders of Series B Preferred Stock), and if an Additional Appraiser is employed, the party who selected the Initial Appraiser

FROM

(WED) 4. 25' 01 9:11/ST. 9:08/NO. 4863333377 P 10
(((H01000046010 4)))

whose value determination was rejected by the Additional Appraiser shall pay all the expenses and fees of the Additional Appraiser.

(d) Closing. The Corporation shall pay the applicable Series B Redemption Price to each holder of redeemed Series B Preferred Stock when the holder delivers to the place specified in its notice (1) the certificate(s) evidencing the redeemed Series B Preferred Stock and (2) transfer instrument(s) sufficient to transfer to the Corporation the redeemed Series B Preferred Stock, free of any adverse interest. If a holder redeems less than all of the shares evidenced by a certificate, the Corporation shall issue and deliver to the holder a new certificate evidencing the unredeemed shares.

(e) Available Funds. The right to redemption described in this section will be deemed absolute and vested on the occurrence of the conditions specified in this section, but actual redemption is subject to the legal availability of funds. If the Corporation does not have sufficient legally available funds on the applicable Series B Redemption Date, the Corporation shall use those funds that are legally available to redeem the maximum possible number of shares ratably among the holders of such shares to be redeemed based on their holdings of Series B Preferred Stock. The shares of Series B Preferred Stock not redeemed will remain outstanding and entitled to all rights and preferences provided in these articles. The holders of Series B Preferred Stock that has not been redeemed because of lack of available funds may at any time revoke their election to be redeemed. At any time thereafter when there are legally available funds (and assuming the redemption election has not been revoked), those funds will be immediately used to redeem the balance of the shares that the Corporation has become obligated to redeem on the applicable Series B Redemption Date. The Corporation shall pay to each holder of redeemed Series B Preferred Stock interest at an annual rate of 18% on any amount of the Series B Redemption Price not paid when due.

4. Conversion. Each share of Series B Preferred Stock is convertible by its holder into Common Stock as follows:

(a) Conversion Option. Subject to the terms and conditions of this Section 4, the holder of any share of Series B Preferred Stock may, at the holder's option, at any time and from time to time, convert any or all of its shares of Series B Preferred Stock into the number of fully paid and non-assessable shares of Common Stock determined pursuant to Section 5.4(4)(c) below. The holders of Series B Preferred Stock may continue to exercise this conversion option notwithstanding their receipt of notice of a Liquidation Event.

(b) Mandatory Conversion. All shares of Series B Preferred Stock then outstanding will automatically be converted into the number of fully paid and non-assessable shares of Common Stock set forth in Section 5.4(4)(c) below as of the date that the Securities and Exchange Commission declares effective a registration of the Common Stock under the Securities Act of 1933, as amended, and the Corporation completes a bona fide offering of its Common Stock to the general public (a "Public Offering") (1) that is underwritten on a firm commitment basis by one or more nationally recognized underwriters, (2) from which the Corporation receives net cash proceeds of at least \$20,000,000, and (3) that provides for an

FROM

(WED) 4.25' 01 9:12/ST. 9:08/NO. 4863333377 P 11
(((H01000046010 4)))

initial offering price to the public per share of Common Stock of at least three times the Series B Stated Value specified in Section 5.4(1) in effect on the effective date.

(c) **Series B Conversion Price.** Each share of Series B Preferred Stock will be convertible into such number of shares of Common Stock as is determined by dividing \$2.836 by the Series B Conversion Price in effect on the Series B Conversion Date (as defined below). The "Series B Conversion Price" at which shares of Common Stock will be issuable on conversion of shares of the Series B Preferred Stock initially will be \$2.836 and, thus, initially each such share of Series B Preferred Stock is convertible into one share of Common Stock. The Series B Conversion Price and the number of shares of Common Stock into which each share of Series B Preferred Stock is convertible will be subject to adjustment as set forth in Section 5.4(4)(e) below. If the holder converts more than one share of Series B Preferred Stock, the number of shares of Common Stock issuable on conversion will be computed on the basis of the aggregate number of shares of Series B Preferred Stock so converted.

(d) **Mechanics of Conversion.** A holder may exercise the conversion right specified in Section 5.4(4)(a) above as to all or any part of its Series B Preferred Stock by surrendering to the Corporation (or to another person designated by the Board of Directors) the certificates evidencing the shares it elects to convert, endorsed and assigned to the Corporation in blank, and accompanied by written notice confirming the holder's exercise of its conversion option as to all or a specified portion of the shares evidenced by the certificates. Each holder of outstanding Series B Preferred Stock will promptly surrender its stock certificates to the Corporation on a mandatory conversion pursuant to Section 5.4(4)(b) above. Conversion of shares of Series B Preferred Stock to Common Stock will be effective when the holder delivers to the Corporation notice of its election to convert and certificates evidencing the converted shares (for a conversion pursuant to Section 5.4(4)(a) above) or on the date of the Public Offering (for a conversion pursuant to Section 5.4(4)(b) above) (the foregoing respective dates are the "Series B Conversion Date"). As promptly as practicable after the Series B Conversion Date and in any event within five days after surrender of the certificate or certificates representing converted shares of Series B Preferred Stock, the Corporation will issue and deliver, or cause to be issued or delivered, at its expense to a converting holder (or to another person designated in writing by the holder consistently with the provisions of the Series B Shareholder Agreement dated the same date as this Agreement), a certificate evidencing the number of whole shares of Common Stock to which such holder is entitled. The person in whose name the certificate or certificates for Common Stock are to be issued will be deemed the holder of such Common Stock as of the close of business on the Series B Conversion Date. On conversion of only a portion of the number of shares evidenced by a certificate surrendered for conversion, the Corporation will issue and deliver at its expense to the converting holder (or to another person designated in writing by the holder, consistently with the provisions of the Series B Shareholder Agreement) a new certificate for the number of shares of Series B Preferred Stock evidencing the unconverted portion of the surrendered certificate. At the close of business on the Series B Conversion Date, (1) the converted shares of Series B Preferred Stock will cease to be outstanding, (2) the holders of the converted shares will cease to have any further rights with respect to those shares, except to receive Common Stock and cash (as specified below) with respect to the converted shares, and (3) the holders of the converted shares will be deemed to have become the holders of the Common Stock for all purposes.

FROM

(WED) 4.25'01 9:12/ST. 9:08/NO. 4863333377 P 12

((H01000046010 4))

(e) Adjustments to Conversion Ratio for Series B Preferred Stock.

(e)(1) Stock Dividend or Split. If the number of outstanding shares of the Corporation's Common Stock is increased by a stock dividend or stock split payable in shares of the Corporation's Common Stock, then, immediately after the determination of holders of Common Stock entitled to receive the stock dividend or split, the number of common shares into which each share of Series B Preferred Stock is convertible will be increased in proportion to the increase in the number of outstanding common shares.

(e)(2) Combination/Reclassification. If the number of outstanding shares of the Corporation's Common Stock is decreased by a combination or reclassification of shares of Common Stock, then immediately after the combination or reclassification, the number of common shares into which each share of Series B Preferred Stock is convertible will be decreased in proportion to the decrease in the number of outstanding shares.

(e)(3) Consolidation/Merger. If the Corporation effects any capital reorganization or reclassification of its Common Stock, or a consolidation or merger with another company, or the sale or other transfer of substantially all of its assets to another company or entity, then, as a condition to such transaction, the Corporation will make fair and lawful provision whereby the holders of Series B Preferred Stock will have the right to convert their shares of Series B Preferred Stock into, in lieu of Common Stock of the Corporation, such shares of stock, securities, or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of the Corporation's voting Common Stock into which their shares would be convertible at the applicable conversion ratio as of the effective date of such transaction. The Corporation will not effect any such transaction unless the resulting successor or purchasing entity (if not the Corporation) assumes by written instrument the obligation to deliver the applicable shares of stock, securities, or assets in accordance with the foregoing provision.

(e)(4) Issuance of Additional Securities. If the Corporation issues any Additional Securities, as defined below, for consideration per share less than the Series B Conversion Price (as adjusted through the time immediately before the issuance of the Additional Securities), the number of common shares into which each share of Series B Preferred Stock is convertible will be increased by multiplying such number (immediately before the issuance of the Additional Securities) by the fraction the numerator of which is the Series B Conversion Price, as adjusted, and the denominator of which is the consideration per share of the Additional Securities. The term "Additional Securities" means and includes the issuance of common shares or any securities convertible into, exchangeable for, or exercisable for common shares. In the case of common shares, the consideration per share will be the total amount of cash plus the fair value (determined by the board of directors in good faith) of all other property or services received by the Corporation for issuance of such common shares divided by the number of shares issued. In the event other securities are issued together with common shares, then a proportion of such consideration will be allocated to the common shares by the

((H01000046010 4))

FROM

(WED) 4.25'01 9:13/ST. 9:08/NO. 486333377 P 13

((H01000046010 4))

board of directors in good faith. In the case of ~~any~~ securities convertible into, exchangeable for, or exercisable for common shares, the consideration per share will be the total amount of consideration received by the Corporation for the issuance of such securities plus the total amount of additional consideration receivable by the Corporation upon conversion, exchange or exercise of such securities divided by the maximum number common shares into which or for which such securities are convertible, exchangeable or exercisable.

(e)(5) Reports as to Adjustments. Whenever the Series B Conversion Price or conversion ratio for Series B Preferred Stock is adjusted as provided in this subsection, the Corporation will promptly compute the adjustment and furnish to each holder of shares of the Series B Preferred Stock a certificate, signed by a principal financial officer of the Corporation, setting forth the new Series B Conversion Price and the number of shares of Common Stock into which each share of Series B Preferred Stock is convertible as a result of the adjustment, a brief statement of the facts requiring the adjustment, the computation of the adjustment, and when the adjustment will become effective.

(f) Certain Issues of Common Stock Excepted. Notwithstanding the foregoing provisions, the Corporation will not be required to adjust the Series B Conversion Price for shares of Common Stock (1) issued to the Corporation's officers, directors, employees or service providers of the Corporation pursuant to any stock option plan or agreement approved by the Compensation Committee of the Board and adopted by the Board of Directors, and the exercise of those options, (2) issuable on conversion of the Series B Preferred Stock or securities outstanding on June 9, 2000, (3) issued or issuable to banks or equipment lessors or in connection with third party partnering arrangements or strategic alliances, provided such issuances are (i) for a primary purpose other than equity financing and (ii) approved by the Corporation's Board of Directors; or (4) issued pursuant to acquisitions that have been approved by the Series B Preferred Stock. These exceptions do not apply if the applicable issuance would result in an adjustment being made with respect to the conversion rights of the Series A Preferred Stock.

(g) Reservation of Stock Issuable Upon Conversion. The Corporation will reserve out of its authorized but unissued Common Stock, solely for the purposes of effecting the conversion of the Series B Preferred Stock, the number of shares of Common Stock issuable on conversion of all outstanding Series B Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock are not sufficient to effect the conversion of all then outstanding shares of the Series B Preferred Stock, in addition to such other remedies as are available to the holder to the Series B Preferred Stock, the Corporation shall take the corporate action that in the opinion of its counsel is necessary to increase its authorized but unissued shares of Common Stock to the number of shares that are sufficient for those purposes, including engaging in its best efforts to secure the requisite shareholder approval of any needed amendment to these Articles of Incorporation.

(h) Payment of Taxes. The Corporation shall pay any and all taxes, documentary or otherwise, that are payable with respect to the issuance or delivery of Common Stock on conversion of the Series B Preferred Stock. The Corporation will not, however, be

((H01000046010 4))

FROM

(WED) 4.25'01 9:13/ST. 9:08/NO. 4863333377 P 14
(((H01000046010 4)))

required to pay tax with respect to a transfer involved in the issue or transfer and delivery of shares of Common Stock in a name other than the record name of the converted Series B Preferred Stock, and no issuance or delivery will be made unless and until the person requesting such issue pays to the Corporation the amount of any such tax or establishes to the Corporation's satisfaction payment of the tax or that no tax is due. In no event need the Corporation pay or reimburse a registered holder for any income tax or ad valorem tax payable by the holder because of the issuance of Common Stock on conversion of Series B Preferred Stock.

(i) Fractional Shares. No fractional share shall be issued upon the conversion of any share or shares of Series B Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series B Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after such aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors of the Corporation).

5. Voting.

(a) In addition to its voting rights specially provided for in these articles or granted by applicable law, each holder of Series B Preferred Stock will be entitled to voting rights with respect to all matters on which holders of Common Stock have the right to vote. Each holder of Series B Preferred Stock may vote that number of votes equal to the number of whole shares of Common Stock into which the holder's shares of Series B Preferred Stock would be convertible pursuant to the provisions of Section 5.4(4) above as of the record date for the determination of shareholders entitled to vote on the matter. Each holder's votes will be counted together with all other shares of capital stock having general voting powers and not separately as a class, except as otherwise provided in these articles or by applicable law. In cases in which the holders of shares of Series B Preferred Stock are entitled to approve a matter or vote separately as a class, each holder will be entitled to one vote for each of its shares and the vote of a majority of the outstanding shares of Series B Preferred Stock will constitute the action of that class.

(b) Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the provisions in Section 5.4(4) above (after aggregating all shares into which shares of Series B Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

6. Approval Rights. In addition to the votes required by applicable law, the affirmative vote of the holders of a majority of the outstanding shares of Series B Preferred Stock shall be required for the Corporation to take the following actions:

(a) Stock Redemption. Purchase or otherwise acquire, redeem, or retire any capital stock of the Corporation, except for a redemption of the Series B Preferred Stock on a pro rata basis.

FROM

(WED) 4. 25' 01 9:13/ST. 9:08/NO. 4863333377 P 15

((H01000046010 4))

(b) Acquisition or Sale of Business: Merger or Consolidation. Purchase or otherwise acquire the stock, shares, or other securities, or the assets or business, of any person or other entity; or liquidate, dissolve, merge, consolidate, reorganize, recapitalize (including a stock split) or otherwise alter its legal status or commence any proceedings therefore; or sell, lease, transfer, or dispose of, in any way, any personal or real property assets having a value in excess of \$100,000, except assets sold or leased in the ordinary and normal course of the Corporation's business; or assign or transfer any substantial part of its intangible business rights necessary for the continuance of its business as now conducted; or enter into an agreement to sell or exchange or otherwise facilitate a sale or exchange of the Corporation's stock to a third party.

(c) Certain Capital Structure Changes. Increase the authorized number of shares of the Series B Preferred Stock or create any new class or series of stock of the Corporation with preferences senior to or in parity with the Series B Preferred Stock.

(d) Management Salaries and Benefits. Materially increase compensation for any of the six highest paid employees of the Corporation. The term "compensation" means all remuneration for services rendered, whether such payment is called salary, bonus, stock or option awards, drawing account, profit sharing, withdrawals, benefits or other form of recompense (but not including the financial benefits of stock option exercises).

(e) Loans. Make loans or advances, either directly or indirectly, to any officer, consultant, management personnel, director or shareholder, or to any person actually or constructively related to any of the foregoing within the meaning of section 267(a) of the Internal Revenue Code; provided, however, that the Corporation may make reasonable advances to employees for reimbursable moving, travel and entertainment expenses to be incurred with respect to business of the Corporation.

(f) Amend Charter or Bylaws. Amend or change its Articles of Incorporation or Bylaws, including by way of merger, in a manner that adversely affects the holders of Series B Preferred Stock, or alter or change any of the rights, preferences, or privileges of the Series B Preferred Stock in a manner that adversely affects the holders of Series B Preferred Stock.

(g) Dividends. Declare or pay any dividends, or make other distributions, in cash, property or stock, with respect to the Corporation's capital stock (other than the Series C Preferred Stock or Series B Preferred Stock in accordance with these Articles).

(h) Changes in Business. Make any significant change in the nature of its business as conducted before the purchase of the Series B Preferred Stock, or relocate the business.

(i) Related Party Transactions. Enter into any material transaction or arrangement with a Related Party. For purposes of the foregoing provisions, the term "Related Party" means any person who directly or indirectly controls, is controlled by, or under common control with, the Corporation, including an officer, director, or holder of more than 10% of the Corporation's Common Stock, a spouse or relative of any of the foregoing persons, and any entity of which any of the foregoing persons is a member, officer, director, employee, partner, trustee, or a direct or indirect beneficial owner of any equity or beneficial interest of 5% or more.

FROM

(WED) 4. 25' 01 9:14/ST. 9:08/NO. 4863333377 P 16
(((H01000046010 4)))

(j) Increase Directors. Increase from five the number of directors of the Corporation.

7. Reissuance of Shares. Any shares of Series B Preferred Stock redeemed, converted, or otherwise reacquired by the Corporation will be canceled and not available for further issuance.

8. Reduction of Number of Authorized Series B Preferred Stock. The Corporation reduces the number of authorized shares of Series B Preferred Stock to 1,382,229.

THIRD: The Corporation adopts the following as new Article V, Section 5.5 of its Articles of Incorporation:

5.5 Series C Preferred Stock.

1. Dividends. The holders of record of shares of Series C Preferred Stock will be entitled to receive dividends (the "**Series C Dividends**" payable out of funds legally available therefor) at a rate of six percent (6%) per annum on the amount of \$0.60 per share (as adjusted for any stock dividends, combinations, or splits with respect to such shares) (the "**Series C Stated Amount**"), if, as, and when determined by the Board of Directors. The Corporation shall not redeem, pay any dividends, or make any other distributions with respect to the Series C Junior Securities (as defined below), without the consent of a majority of the holders of Series C Preferred Stock.

2. Ranking; Preference on Liquidation.

(a) Ranking. The Series C Preferred Stock ranks senior to every other class or series of the Corporation's Common Stock and each other class and series of its preferred stock, whether already existing or later created, including the Series A Preferred Stock and the Series B Preferred Stock (collectively, the "**Series C Junior Securities**").

(b) Payment on Liquidation. Upon a Liquidation Event (as defined in Section 5.4 above), after paying or providing for payment of its debts and other liabilities, the Corporation shall pay to the holders of Series C Preferred Stock, before paying any amount to the holders of Series C Junior Securities, a cash amount for each share of Series C Preferred Stock equal to the Series C Stated Amount (as adjusted pursuant to Section 1 above), plus an amount equal to 6% per annum on the Series C Stated Amount, compounded monthly from February 27, 2001, through the payment date, less any dividends paid (with the pro rata share of remaining assets legally available for distribution as described below, the "**Series C Liquidation Price**"). If its assets to be distributed among the holders of Series C Preferred Stock on a Liquidation Event are insufficient to permit the Corporation to pay the full Series C Liquidation Price for each share of Series C Preferred Stock, the Corporation shall distribute its assets among the holders of Series C Preferred Stock ratably based on the respective amounts each such holder is otherwise entitled to receive. The holders of Series B Preferred Stock will be entitled to receive in preference to the holders of the Series B Junior Securities (but after the payments to

FROM

(WED) 4.25'01 9:14/ST. 9:08/NO. 4863333377 P 17
(((H01000046010 4)))

the Series C Preferred Stock holders pursuant to this Section) an amount equal to the liquidation preference payable with respect to their shares pursuant to Section 5.4(2)(b) of these Articles of Incorporation. The holders of Series A Preferred Stock will be entitled to receive in preference to the holders of the Common Stock (but after the payments to the Series B Preferred Stock holders pursuant to Section 5.4(2)(b) above and after the payments to the Series C Preferred Stock holders pursuant to this Section) an amount equal to the liquidation preference payable with respect to their shares pursuant to Section 5.3.7 of these Articles of Incorporation. After the foregoing distributions to the Series C Preferred Stock, Series B Preferred Stock, and Series A Preferred Stock holders, each record holder of Common Stock that was outstanding as of June 9, 2000, will be entitled to receive an amount equal to the purchase price paid by the holder for the Common Stock (on initial issuance or subsequent purchase) in the latest transaction reported to the Corporation before June 9, 2000; provided, however, that (a) the aggregate amount payable to holders of Common Stock pursuant to this provision will not exceed \$1,000,000; and (b) persons who first acquired shares of Common Stock after June 9, 2000, will not be entitled to participate in this distribution (i.e., no amount will be payable with respect to Common Stock issued or transferred after June 9, 2000). After the foregoing distributions to holders of Series C Preferred Stock, Series B Preferred Stock, Series A Preferred Stock, and Common Stock, all shareholders will share any remaining assets legally available for distribution on an as-converted basis. If, before February 27, 2006, the Corporation is sold or liquidated for cash or publicly tradable stock that on a fully diluted per share value is greater than 300% of the Stated Value for the Series B Preferred Stock (as adjusted), the holders of all securities (including the Common Stock, Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock) will share in the proceeds ratably with all other holders on an as-converted basis.

(c) **Deemed Liquidation Event.** The following will, at the option of the holders of a majority of Series C Preferred Stock, be deemed to be a Liquidation Event and trigger the Corporation's obligation to pay the Series C Liquidation Price: (1) a merger or consolidation of the Corporation with or into one or more corporations or other entities that results in the exchange of more than 49% of the outstanding shares of the fully diluted outstanding shares of the Corporation outstanding immediately before the merger or consolidation for securities or other consideration issued or paid by the other corporation; (2) the sale or transfer of all or substantially all of the assets of the Corporation; or (3) the resale by shareholders of Common Stock cumulatively constituting 49% or more of the shares of Common Stock outstanding when the Series C Preferred Stock was initially issued. The Corporation shall notify the holders of Series C Preferred Stock in writing (the "Liquidation Event Notice") not later than twenty (20) days before the shareholders' meeting called to approve the Liquidation Event, if any, or within twenty (20) days before closing of the transaction, whichever is earlier, and shall also notify the holders in writing of the final approval of the transaction. The first of these notices shall describe the material terms and conditions of the pending transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The option of the holders of Series C Preferred Stock to have the foregoing events treated as Liquidation Events may be exercised by written notice given to the Corporation by holders of a majority of the outstanding shares of Series C Preferred Stock within thirty (30) days of the notifying holders' receipt of the Liquidation Event Notice. If the requirements of this subsection 2(c) are not complied with in connection with the Liquidation Event, the Corporation shall either:

FROM

(WED) 4.25'01 9:15/ST. 9:08/NO. 486333377 P 18
(((H01000046010 4)))

(1) cause the closing of the deemed Liquidation Event to be postponed until the requirements of this subsection (c) have been complied with; or

(2) cancel such transaction that constituted a deemed Liquidation Event, in which event the rights, preferences and privileges of the holders of the Series C Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately before the date of the first notice referred to in subsection (c).

(d) **Payment and Adjustment of the Series C Liquidation Price.** The Corporation shall pay the Series C Liquidation Price to the holders of Series C Preferred Stock within fifteen (15) days after the Corporation's receipt of notices from holders of a majority of holders of Series C Preferred Stock of their option to have an event treated as a Liquidation Event under Section 2(c). The Corporation shall pay interest to each holder of Series C Preferred Stock at an annual rate of 18% on any part of the Series C Liquidation Price not paid when due.

3. **Redemption.**

(a) **Generally.** Subject to the terms and conditions of this section, holders of Series C Preferred Stock may require the Corporation to redeem its shares of Series C Preferred Stock with cash at the redemption price per share determined pursuant to paragraph (c) of this Section 3 (the "Series C Redemption Price"). At any time after June 9, 2005, holders of a majority of the outstanding shares of the Series C Preferred Stock may require the Corporation to redeem the shares of such stock that they held as of that date. During the period between January 1, 2005, and January 31, 2005, the Corporation shall notify each holder of Series C Preferred Stock of the availability of this redemption option and specify the Series C Redemption Price (including a preliminary estimate of fair market value). Further, the holders of a majority of the outstanding shares of Series C Preferred Stock may, at their option, require the Corporation to redeem its shares of Series B Preferred Stock on the occurrence of an Event of Default, as defined in the Series C Preferred Stock Investment Agreement dated as of February 27, 2001.

(b) **Notice from the Series C Preferred Stock Holder.** The Corporation shall effectuate a required redemption within 60 days after its receipt from persons holding at least a majority of the Series C Preferred Stock of notice specifying the following: (1) the date of the requested redemption (the "Series C Redemption Date"); and (2) unless all shares eligible for redemption are to be redeemed, the number of shares of Series C Preferred Stock to be redeemed (the "Series C Redeemed Shares"). A holder of Series C Preferred Stock may cancel its notice with respect to a redemption (and nullify the related redemption) by notifying the Corporation at least ten (10) days before the scheduled Series C Redemption Date or within five days following any later date on which the Series C Redemption Price is finally determined.

(c) **Series C Redemption Price.**

(1) **Generally.** The Series C Redemption Price of the Series C Preferred Stock will be the higher of the following: (1) the fair market value of the Series C Redeemed Shares on the Series C Redemption Date, as determined by independent appraisal (in accordance with the procedure described below), plus an amount equal to

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FROM

(WED) 4.25'01 9:15/ST. 9:08/NO. 4863333377 P 19

((H01000046010 4))

6% per annum on the Series C Stated Amount, compounded monthly from the closing date of the investment through the payment date, less any dividends paid; or (2) the Series C Stated Amount (as adjusted pursuant to Section 1 above), plus an amount equal to 6% per annum on the Series C Stated Amount, compounded monthly from the closing date of the investment through the payment date, less any dividends paid.

(2) **Fair Market Value.** Within ten days after its receipt of notice of a Series C Redemption Date, the Corporation shall cause its Board of Directors to establish the fair market value of the Series C Redeemed Shares in good faith and notify each holder of Series C Redeemed Shares of this value. The holders of at least one half of the Series C Redeemed Shares may, within 20 days thereafter, notify the Corporation that they disagree with this value and request an appraisal process. Within 20 days thereafter, each of the Corporation and holders of a majority of the Series C Redeemed Shares shall designate an appraiser experienced in the business of evaluating or appraising the market value of stock. The two designated appraisers (for purposes of this Section, the "Initial Appraisers") shall, before the Series C Redemption Date, appraise the Series C Redeemed Shares as of the latest possible date, without discounting the Series C Redeemed Shares for illiquidity or minority ownership interest. If the difference between the resulting appraisals is less than twenty percent (20%), the average of the appraisals will be deemed the fair market value; otherwise, the Initial Appraisers shall select an additional appraiser (for purposes of this Section, the "Additional Appraiser"), also experienced in a manner similar to the Initial Appraisers. If they fail to select the Additional Appraiser within 15 days, either the Corporation or the holders of the Series C Redeemed Shares may apply, after written notice to the other, to any judge of any court of general jurisdiction in Hillsborough County, Florida, for the appointment of the Additional Appraiser. The Additional Appraiser shall then choose from the values determined by the Initial Appraisers the value that the Additional Appraiser considers closest to the fair market value of the Series C Preferred Stock, and this value will be the Appraised Value. The Additional Appraiser shall notify the Corporation and the holders of Series C Preferred Stock of his or her determination within 30 days following appointment. Each party shall pay the expenses and fees of the appraiser selected by the party (ratably based on share ownership for the holders of Series C Preferred Stock), and if an Additional Appraiser is employed, the party who selected the Initial Appraiser whose value determination was rejected by the Additional Appraiser shall pay all the expenses and fees of the Additional Appraiser.

(d) **Closing.** The Corporation shall pay the applicable Series C Redemption Price to each holder of redeemed Series C Preferred Stock when the holder delivers to the place specified in its notice (1) the certificate(s) evidencing the redeemed Series C Preferred Stock and (2) transfer instrument(s) sufficient to transfer to the Corporation the redeemed Series C Preferred Stock, free of any adverse interest. If a holder redeems less than all of the shares evidenced by a certificate, the Corporation shall issue and deliver to the holder a new certificate evidencing the unredeemed shares.

(e) **Available Funds.** The right to redemption described in this section will be deemed absolute and vested on the occurrence of the conditions specified in this section, but

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actual redemption is subject to the legal availability of funds. If the Corporation does not have sufficient legally available funds on the applicable Series C Redemption Date, the Corporation shall use those funds that are legally available to redeem the maximum possible number of shares ratably among the holders of such shares to be redeemed based on their holdings of Series C Preferred Stock. The shares of Series C Preferred Stock not redeemed will remain outstanding and entitled to all rights and preferences provided in these articles. The holders of Series C Preferred Stock that has not been redeemed because of lack of available funds may at any time revoke their election to be redeemed. At any time thereafter when there are legally available funds (and assuming the redemption election has not been revoked), those funds will be immediately used to redeem the balance of the shares that the Corporation has become obligated to redeem on the applicable Series C Redemption Date. The Corporation shall pay to each holder of redeemed Series C Preferred Stock interest at an annual rate of 18% on any amount of the Series C Redemption Price not paid when due.

4. **Conversion.** Each share of Series C Preferred Stock is convertible by its holder into Common Stock as follows:

(a) **Conversion Option.** Subject to the terms and conditions of this Section 4, the holder of any share of Series C Preferred Stock may, at the holder's option, at any time and from time to time, convert any or all of its shares of Series C Preferred Stock into the number of fully paid and non-assessable shares of Common Stock determined pursuant to Section 4(c). The holders of Series C Preferred Stock may continue to exercise this conversion option notwithstanding their receipt of notice of a Liquidation Event.

(b) **Mandatory Conversion.** All shares of Series C Preferred Stock then outstanding will automatically be converted into the number of fully paid and non-assessable shares of Common Stock set forth in Section 5.5(4)(c) below as of the date that the Securities and Exchange Commission declares effective a registration of the Common Stock under the Securities Act of 1933, as amended, and the Corporation completes a Public Offering (as defined in Section 5.5(4)(c) below) (1) that is underwritten on a firm commitment basis by one or more nationally recognized underwriters, (2) from which the Corporation receives net cash proceeds of at least \$20,000,000, and (3) that provides for an initial offering price to the public per share of Common Stock of at least three times the Series C Stated Value specified in Section 5.5(1) in effect on the effective date.

(c) **Series C Conversion Price.** Each share of Series C Preferred Stock will be convertible into such number of shares of Common Stock as is determined by dividing \$0.60 by the Series C Conversion Price in effect on the Series C Conversion Date (as defined below). The "Series C Conversion Price" at which shares of Common Stock will be issuable on conversion of shares of the Series C Preferred Stock initially will be \$0.60 and, thus, initially each such share of Series C Preferred Stock is convertible into one share of Common Stock. The Series C Conversion Price and the number of shares of Common Stock into which each share of Series C Preferred Stock is convertible will be subject to adjustment as set forth in Section 5.5(4)(e) below. If the holder converts more than one share of Series C Preferred Stock, the number of shares of Common Stock issuable on conversion will be computed on the basis of the aggregate number of shares of Series C Preferred Stock so converted.

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FROM

(WED) 4.25'01 9:16/ST. 9:08/NO.4863333377 P 21

((H01000046010 4))

(d) **Mechanics of Conversion.** A holder may exercise the conversion right specified in Section 5.5(4)(a) above as to all or any part of its Series C Preferred Stock by surrendering to the Corporation (or to another person designated by the Board of Directors) the certificates evidencing the shares it elects to convert, endorsed and assigned to the Corporation in blank, and accompanied by written notice confirming the holder's exercise of its conversion option as to all or a specified portion of the shares evidenced by the certificates. Each holder of outstanding Series C Preferred Stock will promptly surrender its stock certificates to the Corporation on a mandatory conversion pursuant to Section 5.5(4)(b) above. Conversion of shares of Series C Preferred Stock to Common Stock will be effective when the holder delivers to the Corporation notice of its election to convert and certificates evidencing the converted shares (for a conversion pursuant to Section 5.5(4)(a) above) or on the date of the Public Offering (for a conversion pursuant to Section 5.5(4)(b) above) (the foregoing respective dates are the "Series C Conversion Date"). As promptly as practicable after the Series C Conversion Date and in any event within five days after surrender of the certificate or certificates representing converted shares of Series C Preferred Stock, the Corporation will issue and deliver, or cause to be issued or delivered, at its expense to a converting holder (or to another person designated in writing by the holder consistently with the provisions of the Series C Shareholder Agreement dated the same date as this Agreement), a certificate evidencing the number of whole shares of Common Stock to which such holder is entitled. The person in whose name the certificate or certificates for Common Stock are to be issued will be deemed the holder of such Common Stock as of the close of business on the Series C Conversion Date. On conversion of only a portion of the number of shares evidenced by a certificate surrendered for conversion, the Corporation will issue and deliver at its expense to the converting holder (or to another person designated in writing by the holder, consistently with the provisions of the Series C Shareholder Agreement) a new certificate for the number of shares of Series C Preferred Stock evidencing the unconverted portion of the surrendered certificate. At the close of business on the Series C Conversion Date, (1) the converted shares of Series C Preferred Stock will cease to be outstanding, (2) the holders of the converted shares will cease to have any further rights with respect to those shares, except to receive Common Stock and cash (as specified below) with respect to the converted shares, and (3) the holders of the converted shares will be deemed to have become the holders of the Common Stock for all purposes.

(e) **Adjustments to Conversion Ratio for Series C Preferred Stock.**

(e)(1) **Stock Dividend or Split.** If the number of outstanding shares of the Corporation's Common Stock is increased by a stock dividend or stock split payable in shares of the Corporation's Common Stock, then, immediately after the determination of holders of Common Stock entitled to receive the stock dividend or split, the number of common shares into which each share of Series C Preferred Stock is convertible will be increased in proportion to the increase in the number of outstanding common shares.

(e)(2) **Combination/Reclassification.** If the number of outstanding shares of the Corporation's Common Stock is decreased by a combination or reclassification of shares of Common Stock, then immediately after the combination or reclassification, the number of common shares into which each share of Series C Preferred Stock is

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FROM

(WED) 4.25'01 9:16/ST. 9:08/NO. 4863333377 P 22
(((H01000046010 4)))

convertible will be decreased in proportion to the decrease in the number of outstanding shares.

(e)(3) Consolidation/Merger. If the Corporation effects any capital reorganization or reclassification of its Common Stock, or a consolidation or merger with another company, or the sale or other transfer of substantially all of its assets to another company or entity, then, as a condition to such transaction, the Corporation will make fair and lawful provision whereby the holders of Series C Preferred Stock will have the right to convert their shares of Series C Preferred Stock into, in lieu of Common Stock of the Corporation, such shares of stock, securities, or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of the Corporation's voting Common Stock into which their shares would be convertible at the applicable conversion ratio as of the effective date of such transaction. The Corporation will not effect any such transaction unless the resulting successor or purchasing entity (if not the Corporation) assumes by written instrument the obligation to deliver the applicable shares of stock, securities, or assets in accordance with the foregoing provision.

(c)(4) Issuance of Additional Securities. If the Corporation issues any Additional Securities (as defined in Section 5.4 above) for consideration per share less than the Series C Conversion Price (as adjusted through the time immediately before the issuance of the Additional Securities), the number of common shares into which each share of Series C Preferred Stock is convertible will be increased by multiplying such number (immediately before the issuance of the Additional Securities) by the fraction the numerator of which is the Series C Conversion Price, as adjusted, and the denominator of which is the consideration per share of the Additional Securities. In the case of common shares, the consideration per share will be the total amount of cash plus the fair value (determined by the board of directors in good faith) of all other property or services received by the Corporation for issuance of such common shares divided by the number of shares issued. In the event other securities are issued together with common shares, then a proportion of such consideration will be allocated to the common shares by the board of directors in good faith. In the case of any securities convertible into, exchangeable for, or exercisable for common shares, the consideration per share will be the total amount of consideration received by the Corporation for the issuance of such securities plus the total amount of additional consideration receivable by the Corporation upon conversion, exchange or exercise of such securities divided by the maximum number common shares into which or for which such securities are convertible, exchangeable or exercisable.

(e)(5) Reports as to Adjustments. Whenever the Series C Conversion Price or conversion ratio for Series C Preferred Stock is adjusted as provided in this subsection, the Corporation will promptly compute the adjustment and furnish to each holder of shares of the Series C Preferred Stock a certificate, signed by a principal financial officer of the Corporation, setting forth the new Series C Conversion Price and the number of shares of Common Stock into which each share of Series C Preferred Stock is convertible as a result of the adjustment, a brief statement of the facts requiring the adjustment, the computation of the adjustment, and when the adjustment will become effective.

FROM

((H01000046010 4))) (WED) 4.25' 01 9:17/ST. 9:08/NO. 4863333377 P 23

(f) **Certain Issues of Common Stock Excepted.** Notwithstanding the foregoing provisions, the Corporation will not be required to adjust the Series C Conversion Price for shares of Common Stock (1) issued to the Corporation's officers, directors, employees or service providers of the Corporation pursuant to any stock option plan or agreement approved by the Compensation Committee of the Board and adopted by the Board of Directors, and the exercise of those options, (2) issuable on conversion of the Series C Preferred Stock or securities outstanding on February 27, 2001, (3) issued or issuable to banks or equipment lessors or in connection with third party partnering arrangements or strategic alliances, provided such issuances are (i) for a primary purpose other than equity financing and (ii) approved by the Corporation's Board of Directors; or (4) issued pursuant to acquisitions that have been approved by the Series C Preferred Stock. These exceptions do not apply if the applicable issuance would result in an adjustment being made with respect to the conversion rights of the Series B Preferred Stock or Series A Preferred Stock.

(g) **Reservation of Stock Issuable Upon Conversion.** The Corporation will reserve out of its authorized but unissued Common Stock, solely for the purposes of effecting the conversion of the Series C Preferred Stock, the number of shares of Common Stock issuable on conversion of all outstanding Series C Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock are not sufficient to effect the conversion of all then outstanding shares of the Series C Preferred Stock, in addition to such other remedies as are available to the holder of the Series C Preferred Stock, the Corporation shall take the corporate action that in the opinion of its counsel is necessary to increase its authorized but unissued shares of Common Stock to the number of shares that are sufficient for those purposes, including engaging in its best efforts to secure the requisite shareholder approval of any needed amendment to these Articles of Incorporation.

(h) **Payment of Taxes.** The Corporation shall pay any and all taxes, documentary or otherwise, that are payable with respect to the issuance or delivery of Common Stock on conversion of the Series C Preferred Stock. The Corporation will not, however, be required to pay tax with respect to a transfer involved in the issue or transfer and delivery of shares of Common Stock in a name other than the record name of the converted Series C Preferred Stock, and no issuance or delivery will be made unless and until the person requesting such issue pays to the Corporation the amount of any such tax or establishes to the Corporation's satisfaction payment of the tax or that no tax is due. In no event need the Corporation pay or reimburse a registered holder for any income tax or ad valorem tax payable by the holder because of the issuance of Common Stock on conversion of Series C Preferred Stock.

(i) **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series C Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series C Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after such aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of

FROM

(WED) 4.25'01 9:17/ST. 9:08/NO. 4863333377 P 24
(((H01000046010 4)))

conversion (as determined in good faith by the Board of Directors of the Corporation).

5. Voting.

(a) In addition to its voting rights specially provided for in these articles or granted by applicable law, each holder of Series C Preferred Stock will be entitled to voting rights with respect to all matters on which holders of Common Stock have the right to vote. Each holder of Series C Preferred Stock may vote that number of votes equal to the number of whole shares of Common Stock into which the holder's shares of Series C Preferred Stock would be convertible pursuant to the provisions of Section 5.5(4) above as of the record date for the determination of shareholders entitled to vote on the matter. Each holder's votes will be counted together with all other shares of capital stock having general voting powers and not separately as a class, except as otherwise provided in these articles or by applicable law. In cases in which the holders of shares of Series C Preferred Stock are entitled to approve a matter or vote separately as a class, each holder will be entitled to one vote for each of its shares and the vote of a majority of the outstanding shares of Series C Preferred Stock will constitute the action of that class.

(b) Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the provisions in Section 5.5(4) above (after aggregating all shares into which shares of Series C Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

6. Approval Rights. In addition to the votes required by applicable law, the affirmative vote of the holders of a majority of the outstanding shares of Series C Preferred Stock shall be required for the Corporation to take the following actions:

(a) **Stock Redemption.** Purchase or otherwise acquire, redeem, or retire any capital stock of the Corporation, except for a redemption of the Series C Preferred Stock on a pro rata basis.

(b) **Acquisition or Sale of Business: Merger or Consolidation.** Purchase or otherwise acquire the stock, shares, or other securities, or the assets or business, of any person or other entity; or liquidate, dissolve, merge, consolidate, reorganize, recapitalize (including a stock split) or otherwise alter its legal status or commence any proceedings therefore; or sell, lease, transfer, or dispose of, in any way, any personal or real property assets having a value in excess of \$100,000, except assets sold or leased in the ordinary and normal course of the Corporation's business; or assign or transfer any substantial part of its intangible business rights necessary for the continuance of its business as now conducted; or enter into an agreement to sell or exchange or otherwise facilitate a sale or exchange of the Corporation's stock to a third party.

(c) **Certain Capital Structure Changes.** Increase the authorized number of shares of the Series C Preferred Stock or create any new class or series of stock of the Corporation with preferences senior to or in parity with the Series C Preferred Stock.

(d) **Management Salaries and Benefits.** Materially increase compensation for any of the six highest paid employees of the Corporation. The term "compensation" means

FROM

(WED) 4.25'01, 9:18/ST. 9:08/NO. 4863333377 P 25
(((H01000046010 4)))

all remuneration for services rendered, whether such payment is called salary, bonus, stock or option awards, drawing account, profit sharing, withdrawals, benefits or other form of recompense (but not including the financial benefits of stock option exercises).

(e) Loans. Make loans or advances, either directly or indirectly, to any officer, consultant, management personnel, director or shareholder, or to any person actually or constructively related to any of the foregoing within the meaning of section 267(a) of the Internal Revenue Code; provided, however, that the Corporation may make reasonable advances to employees for reimbursable moving, travel and entertainment expenses to be incurred with respect to business of the Corporation.

(f) Amend Charter or Bylaws. Amend or change its Articles of Incorporation or Bylaws, including by way of merger, in a manner that adversely affects the holders of Series C Preferred Stock, or alter or change any of the rights, preferences, or privileges of the Series C Preferred Stock in a manner that adversely affects the holders of Series C Preferred Stock.

(g) Dividends. Declare or pay any dividends, or make other distributions, in cash, property or stock, with respect to the Corporation's capital stock (other than the Series C Preferred Stock).

(h) Changes in Business. Make any significant change in the nature of its business as conducted before the purchase of the Series C Preferred Stock, or relocate the business.

(i) Related Party Transactions. Enter into any material transaction or arrangement with a Related Party. For purposes of the foregoing provisions, the term "Related Party" means any person who directly or indirectly controls, is controlled by, or under common control with, the Corporation, including an officer, director, or holder of more than 10% of the Corporation's Common Stock, a spouse or relative of any of the foregoing persons, and any entity of which any of the foregoing persons is a member, officer, director, employee, partner, trustee, or a direct or indirect beneficial owner of any equity or beneficial interest of 5% or more.

(j) Increase Directors. Increase from five the number of directors of the Corporation.

7. Reissuance of Shares. Any shares of Series C Preferred Stock redeemed, converted, or otherwise reacquired by the Corporation will be canceled and not available for further issuance.

FOURTH: The Corporation adopts the following as new Article IX (Directors) of its Articles of Incorporation:

ARTICLE IX - Directors

1. Number of Members of Board of Directors. The Board of Directors of the

FROM

(WED) 4.25'01 9:18/ST. 9:08/NO. 4863333377 P. 26
(((H01000046010 4)))

Corporation shall consist of five (5) members, of which the holders of the Series A Preferred Stock voting as a separate class will elect one (1) member of the Board (the "Series A Preferred Director"), (b) the holders of the Series B Preferred Stock voting as a separate class will elect one (1) member of the Board (the "Series B Preferred Director"), (c) the holders of the Series C Preferred Stock voting as a separate class will elect one (1) member of the Board (the "Series C Preferred Director"), (d) the holders of the Common Stock will elect one (1) member of the Board (the "Management Director"), and (e) the remaining one director (the "Joint Director") will be mutually nominated and elected by the holders of Common Stock and the holders of Series C Preferred Stock. The Corporation may, with the approval of holders of a majority of each of its Series C Preferred Stock and Series B Preferred Stock, authorize an increase in the number of its directors, as well as election of those additional directors by holders of newly created series of Preferred Stock.

2. Designation of Nominees. The holders of a majority of the shares of each of the Series A Preferred Stock, the Series B Preferred Stock, and the Series C Preferred Stock, each voting as a class, may nominate and elect their respective directors. If the holders of the Series A Preferred Stock, the Series B Preferred Stock, or the Series C Preferred Stock fail to nominate and elect a person to serve as directors, those positions on the Board of Directors will be left vacant until they do so. The holders of a majority of the shares of the Common Stock, voting as a class, may nominate the Management Director, and the holders of the Common Stock will elect that director. The holders of both a majority of the shares of the Common Stock and a majority of the Series C Preferred Stock, each voting as a class, may nominate the Joint Director, and the holders of the Common Stock and the holders of Series C Preferred Stock, voting together as a class, will elect that director. Notwithstanding the foregoing, so long as BOCF owns shares of Series B Preferred Stock, the holders of Series B Preferred Stock shall vote to elect a nominee selected by BOCF as the Series B Preferred Director.

3. Removal of Directors; Election of Successors. The holders of a majority of the Series A Preferred Stock, the holders of a majority of the Series B Preferred Stock (so long as BOCF votes with the majority with respect to any shares that it owns), the holders of a majority of the Series C Preferred Stock (so long as BOCF votes with the majority with respect to any shares that it owns), the holders of a majority of the Common Stock, or the holders of a majority of the Common Stock and the Series C Preferred Stock, voting together as a class, may remove a director that they designated pursuant to Section 2, with or without cause, by notice to the Corporation. If a director is so removed, resigns, is unable to serve, or for any other reason a vacancy in a Board position occurs, then the holders of shares that elected that director may replace the director. In each case, the applicable class or series may act by written notice to the Corporation, signed by holders of a majority of the outstanding shares of that class or series, or by action at a meeting called for that purpose.

4. Compensation and Audit Committees; Executive Committee. The Corporation establishes a Compensation Committee and an Audit Committee of the Board of Directors. The Corporation shall secure the advance approval of its Compensation Committee for management compensation increases and adoption of any stock option plans or grants. The Compensation and Audit Committees of the Board of Directors will be composed solely of non-management, non-employee, outside directors. Each of these committees will have three (3)

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members consisting of the Series A Preferred Director, the Series B Preferred Director, and the Series C Preferred Director, and will act only with approval of a majority of the three (3) directors on the committee. Any Executive Committee of the Board of Directors will include the Series A Preferred Director, the Series B Preferred Director, and the Series C Preferred Director.

5. Quorum of Board of Directors. A quorum for the transaction of business at all meetings of the Board of Directors shall be a majority of the number of directors comprising the Board of Directors.

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SIGNATURE PAGE TO THIRD ARTICLES OF AMENDMENT

EXECUTED: As of February 27, 2001.

KNOWLEDGEVIEW TECHNOLOGIES, INC.

By: 
Keith L. Gibson, President and CEO

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