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Page Count	31
Estimated Charge	\$43.75

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RESTATED ARTICLES OF INCORPORATION
of
TheScientificWorld, Inc.

These Restated Articles of Incorporation of TheScientificWorld, Inc. contain amendments designating the Series C Preferred Stock and Series D Preferred Stock of the corporation and the relative rights, preferences, restrictions and limitations thereof. These Restated Articles of Incorporation were duly adopted (i) by unanimous resolution of the Board of Directors of the corporation at a meeting of the Board of Directors held on September 9, 2001, (ii) by joint written consent of the holders of a majority of the issued and outstanding shares of Series A Preferred Stock and the holders of in excess of sixty percent (60%) of the issued and outstanding shares of Series B Preferred Stock (voting as separate classes) on September 28, 2001 and (iii) by joint written consent of the holders of a majority of the issued and outstanding shares of Common Stock, Series A Preferred Stock and Series B Preferred Stock, voting together as a single class, on September 28, 2001. The number of votes cast by the shareholders was sufficient for approval.

Article I
Name

The name of the corporation is TheScientificWorld, Inc.

Article II
Duration

The corporation shall have perpetual existence.

Article III
Purpose

The corporation is organized for the purpose of transacting any and all lawful business.

Article IV
Address

The principal place of business of the corporation shall be: 1901 South Congress Avenue, Suite 200, Boynton Beach, Florida 33426.

Article V
Capital Stock

A. Authorized Capital

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The total number of shares of stock which the Corporation shall have authority to issue is 150,000,000 shares, of which 100,000,000 shares shall be Common Stock having a par value of \$.001 per share (the "Common Stock") and 50,000,000 shares shall be Preferred Stock having a par value of \$.001 per share (the "Preferred Stock"). 12,000,000 shares of Preferred Stock are designated Series A Preferred Stock ("Series A Preferred"), 19,444,444 shares of Preferred Stock are designated as Series B Preferred Stock ("Series B Preferred"), 3,500,000 shares of Preferred Stock are designated as Series C Preferred Stock and 5,500,000 shares of Preferred Stock are designated as Series D Preferred Stock, each with the rights, powers, preferences, qualifications, limitations and restrictions hereinafter set forth.

(1) Dividends, Combinations, Subdivisions and Mergers.

Subject to any preferential or other rights granted to the holders of any series of Preferred Stock, holders of Common Stock shall be entitled to receive such dividends and distributions, payable in cash or otherwise, as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.

(2) Rights on Liquidation. Subject to any preferential or other rights granted to the holders of any series of Preferred Stock, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the assets of the Corporation available for distribution to shareholders shall be distributed in equal amounts per share to the holders of the Common Stock. For purposes of this paragraph, a consolidation or merger of the Corporation with any other corporation, or the sale, transfer or lease by the Corporation of all or substantially all of its assets, shall not constitute or be deemed a liquidation, dissolution or winding up of the Corporation.

(3) Voting. Subject to the voting powers, if any, granted to the holders of any series of Preferred Stock, and except as otherwise required by law, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes and each holder of Common Stock shall be entitled to one vote for each share of Common Stock held.

(4) Adjustment of Authorized Preferred Stock. The number of authorized shares of Preferred Stock may be increased or decreased by the affirmative vote of the holders of a majority of the stock of the Corporation that is entitled to vote without a class vote of the Preferred Stock, or any class or series thereof, except as may be otherwise provided in these Articles of Incorporation as to the specific voting rights of such class or series.

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B. Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock

Section 1. Participating Dividends. In the event that the Corporation declares or pays any dividends upon the Common Stock (whether payable in cash, securities or other property) other than dividends payable solely in shares of Common Stock, the Corporation shall also declare and pay to the holders of Series A Preferred (the "Series A Holders"), the holders of Series B Preferred (the "Series B Holders"), the holders of Series C Preferred (the "Series C Holders") and the holders of Series D Preferred (the "Series D Holders"), at the same time that it declares and pays such dividends to the holders of the Common Stock, the following dividends: (i) in the case of the Series A Preferred, the Series C Preferred and the Series D Preferred, the dividends which would have been declared and paid with respect to the Common Stock issuable upon conversion of the Series A Preferred, the Series C Preferred and the Series D Preferred had all of the outstanding Series A Preferred, Series C Preferred and Series D Preferred been converted immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which the record holders of Common Stock entitled to such dividends are to be determined; and (ii) in the case of the Series B Preferred, a non-cumulative, non-accruing dividend equal to the greater of (A) eight cents (\$0.08) per share of Series B Preferred (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting the Series B Preferred and occurring after the effective date hereof) or (B) with respect to each share of Series B Preferred, the dividends which would have been declared and paid with respect to the Common Stock issuable upon conversion of such share of Series B Preferred had all of the outstanding Series B Preferred been converted immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which the record holders of Common Stock entitled to such dividends are to be determined. In the event that the Corporation declares or pays any dividends upon the Series A Preferred (whether payable in cash, securities or other property) other than dividends payable solely in shares of Series A Preferred, the Corporation shall also declare and pay dividends to (i) the Series B Holders equal to the greater of (A) eight cents (\$0.08) per share of Series B Preferred (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting the Preferred Stock and occurring after the effective date hereof) or (B) with respect to each share of Series B Preferred, the dividends so declared or paid with respect to each share of Series A Preferred and (ii) the Series C Holders and Series D Preferred. In the event that the Corporation declares or pays any dividends upon the Series C Preferred (whether payable in cash, securities or other property) other than dividends payable solely in shares of Series C Preferred, the Corporation shall also declare and pay dividends to (i) the Series B Holders equal to the greater of (A) eight cents (\$0.08) per share of Series B Preferred (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting the Preferred Stock and occurring after the effective date hereof) or (B) with respect to each share of Series B Preferred, the dividends so declared or paid with respect to each share

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of Series C Preferred and (ii) the Series A Holders and Series D Holders equal to the dividends so declared or paid with respect to each share of Series C Preferred. In the event that the Corporation declares or pays any dividends upon the Series D Preferred (whether payable in cash, securities or other property) other than dividends payable solely in shares of Series D Preferred, the Corporation shall also declare and pay dividends to (i) the Series B Holders equal to the greater of (A) eight cents (\$0.08) per share of Series B Preferred (such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting the Preferred Stock and occurring after the effective date hereof) or (B) with respect to each share of Series B Preferred, the dividends so declared or paid with respect to each share of Series D Preferred and (ii) the Series A Holders and Series C Holders equal to the dividends so declared or paid with respect to each share of Series D Preferred.

Section 2. Liquidation.

(a) Payment Upon Liquidation. Upon any liquidation, dissolution or winding up of the Corporation (whether voluntary or involuntary) (a "Liquidation"), each holder of Series B Preferred shall be entitled to be paid an amount in cash equal to the sum of the aggregate Series B Liquidation Preference of all shares of Series B Preferred held by such holder before any distribution or payment is made upon any Junior Securities. After payment of the Series B Liquidation Preference, the Preferred Holders shall, on a pari passu basis with one another, be entitled to be paid an amount in cash equal to the sum of the aggregate Liquidation Value (plus accrued and unpaid dividends) of all shares of Preferred Stock held by such holders before any distribution or payment is made upon any shares of Common Stock or any other class or series of capital stock of the Corporation. If, upon any such Liquidation, the Corporation's assets to be distributed among the Series B Holders are insufficient to permit payment to such holders of the aggregate Series B Liquidation Preference, then the entire assets available to be distributed to the Corporation's shareholders shall be distributed pro rata among Series B Holders based upon the aggregate Series B Liquidation Preference of the Series B Preferred. If upon any such Liquidation, the Corporation's assets to be distributed among the Series B Holders are sufficient to permit payment to such holders of the aggregate Series B Liquidation Preference, but are insufficient to permit payment to the Preferred Holders of the aggregate Liquidation Value (plus all accrued and unpaid dividends), then the entire remaining assets available to be distributed to the Corporation's shareholders (after full payment of the Series B Liquidation Preference) shall be distributed pro rata among Preferred Holders based upon the aggregate Liquidation Value (plus all accrued and unpaid dividends) of the Preferred Stock. Notwithstanding anything else herein to the contrary, upon payment of the Liquidation Value of (plus accrued and unpaid dividends on) any share of Preferred Stock to the holder thereof, all rights of such holder with respect to such share shall cease, and such share of Preferred Stock shall no longer be deemed to be issued and outstanding.

(b) Liquidation Following Redemption. Notwithstanding anything else contained herein to the contrary, if a Liquidation shall occur following any exercise by the Preferred Holders of a right of redemption as provided herein (but prior to payment by the

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Corporation of all amounts due in connection with any such redemption), the payment to the Series B Holders shall be the greater of: (i) payment pursuant to this Section 2, or (ii) payment pursuant to Section 3 below.

(c) General Provisions. Not less than 60 days prior to the payment date stated therein, the Corporation shall mail written notice of any such Liquidation to each record holder Preferred Stock, setting forth in reasonable detail the amount of proceeds to be paid with respect to each share of Preferred Stock and Common Stock in connection with such Liquidation. Neither the consolidation or merger of the Corporation into or with any other entity or entities (whether or not the Corporation is the surviving entity), nor the sale or transfer by the Corporation of all or any part of its assets, nor the reduction of the capital stock of the Corporation nor any other form of recapitalization or reorganization affecting the Corporation shall be deemed to be a Liquidation within the meaning of this Section 2.

Section 3. Redemptions

(a) Redemption upon Request. At any time after April 25, 2005, the holders of a majority of the shares of the Series A Preferred (with regard to the Series A Preferred), the holders of a majority of the shares of Series B Preferred (with regard to the Series B Preferred) and the holders of a majority of the shares of Series C Preferred and Series D Preferred, voting together as a single class (with regard to the Series C Preferred and Series D Preferred) shall have the independent right to require the Corporation to redeem all but not less than all of the outstanding shares of Series A Preferred, Series B Preferred or Series C Preferred and Series D Preferred, as applicable, upon 90 days written notice to the Corporation (any such notice being a "Redemption Notice" and the 90th day following the Corporation's receipt of such Redemption Notice being the "Redemption Date"). Promptly after receipt of a Redemption Notice from the holders of a majority of the shares of Series A Preferred, Series B Preferred or Series C Preferred and Series D Preferred, the Corporation shall provide written notice of its receipt of such Redemption Notice, specifying the Redemption Date, to all other Preferred Holders. The holders of a majority of the shares of Series A Preferred, Series B Preferred and Series C Preferred/ Series D Preferred, as the case may be, shall have thirty (30) days from the date of delivery of such notice by the Corporation to deliver notice to the Corporation electing to participate in the redemption by the Series A Holders, Series B Holders or Series C Holders and Series D Holders, as the case may be (a "Simultaneous Redemption Notice"). In the event the Corporation shall receive a Simultaneous Redemption Notice, the Corporation shall redeem all shares of Series A Preferred, Series B Preferred and/or Series C Preferred and Series D Preferred, as the case may be, in accordance with this Section 3.

(b) Redemption Payments. For each share of the Series A Preferred, Series B Preferred and/or Series C Preferred and Series D Preferred which is to be redeemed hereunder, the Corporation shall be obligated to pay to the holder thereof (upon surrender by such holder at the Corporation's principal office of the certificate representing such share of the Series A Preferred, Series B Preferred, or Series C Preferred/Series D Preferred) an amount in cash equal to, in the case of the Series A Preferred, the

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Liquidation Value of such share (plus all accrued and unpaid dividends thereon) (the "Series A Redemption Price"), in the case of the Series B Preferred, the sum of the Series B Liquidation Preference and the Liquidation Value of such share of Series B Preferred (plus all accrued and unpaid dividends thereon) (the "Series B Redemption Price"), in the case of the Series C Preferred, the Liquidation Value of such share of Series C Preferred (plus all accrued and unpaid dividends thereon) (the "Series C Redemption Price") and in the case of the Series D Preferred, the Liquidation Value of such share of Series D Preferred (plus all accrued and unpaid dividends thereon) (the "Series D Redemption Price"). Payment of such amount(s) shall be made in three (3) equal annual installments, each consisting of one-third (1/3) of the aggregate amount due. The first installment shall be paid on the Redemption Date, with the remaining two installments being due on the first and second anniversary, respectively, of the Redemption Date. With each such payment, a corresponding number of shares of Series A Preferred, Series B Preferred and/or Series C Preferred and Series D Preferred shall be redeemed. If the funds of the Corporation legally available for redemption of such shares of Preferred Stock on the Redemption Date or any anniversary thereof are insufficient to redeem the total number of shares of the Series A Preferred, Series B Preferred and/or Series C Preferred and Series D Preferred to be redeemed on any such date, those funds which are legally available therefor shall be used to redeem the maximum possible number of shares of the Series A Preferred, Series B Preferred and/or Series C Preferred and Series D Preferred pro rata among the holders of the shares of Preferred Stock to be redeemed based upon (i) the aggregate Series A Redemption Price with respect to all of the Series A Preferred outstanding on such date, (ii) the aggregate Series B Redemption Price with respect to all of the Series B Preferred outstanding on such date, (iii) the aggregate Series C Redemption Price with respect to all of the Series C Preferred outstanding on such date and (iv) the aggregate Series D Redemption Price with respect to all of the Series D Preferred outstanding on such date. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred, Series B Preferred, and/or Series C Preferred and Series D Preferred, such funds shall immediately be used to redeem the balance of the shares of Series A Preferred, Series B Preferred and/or Series C Preferred and Series D Preferred which the Corporation has become obligated to redeem, but which it has not redeemed.

(c) Dividends After Redemption Date. No share of Preferred Stock shall be entitled to any dividends accruing after the date on which the Series A Redemption Price, the Series B Redemption Price, the Series C Redemption Price and/or the Series D Redemption Price is paid to the holder of such share of Preferred Stock. On such date, all rights of the holder of such share shall cease with respect to such share, and such share of Preferred Stock shall no longer be deemed to be issued and outstanding.

(d) Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock which are redeemed or otherwise acquired by the Corporation shall be canceled, retired and eliminated from the shares that the Corporation is authorized to issue. The Corporation will from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred accordingly.

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(e) Other Redemptions or Acquisitions. The Corporation shall not, nor shall it permit any Subsidiary to, redeem or otherwise acquire any shares of Preferred Stock, except as expressly authorized herein.

(f) Special Redemptions.

(i) If a Change in Ownership has occurred or the Corporation obtains knowledge that a Change in Ownership is proposed to occur, the Corporation shall give prompt written notice of such Change in Ownership describing in reasonable detail the material terms and date of consummation thereof to each Preferred Holder, but in any event such notice shall not be given later than five days after the Corporation obtains knowledge of the occurrence of such Change in Ownership, and the Corporation shall give each Preferred Holder prompt written notice of any material change in the terms or timing of such transaction. Any Preferred Holder may require the Corporation to redeem all or any portion of the Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred owned by such holder at a price per share of Series A Preferred equal to the Series A Redemption Price, a price per share of Series B Preferred equal to the Series B Redemption Price, a price per share of Series C Preferred equal to the Series C Redemption Price and a price per share of Series D Preferred equal to the Series D Redemption Price, by giving written notice to the Corporation of such election prior to the later of (a) 21 days after receipt of the Corporation's notice and (b) five days prior to the consummation of the Change in Ownership (the "Expiration Date"). The Corporation shall give prompt written notice of any such election to all other Preferred Holders within five days after the receipt thereof, and each such holder shall have until the later of (a) the Expiration Date or (b) 10 days after receipt of such second notice to request redemption hereunder (by giving written notice to the Corporation) of all or any portion of the Preferred Stock owned by such holder.

Upon receipt of such election(s), the Corporation shall be obligated to redeem the aggregate number of shares of Preferred Stock specified therein on the later of (a) the occurrence of the Change in Ownership or (b) five days after the Corporation's receipt of such election(s). If the funds of the Corporation legally available for redemption of such shares of Preferred Stock on such date are insufficient to redeem the total number of shares of Preferred Stock to be redeemed on any such date, those funds which are legally available therefor shall be used to redeem the maximum possible number of shares of Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred pro rata among the holders of the shares of Preferred Stock to be redeemed based upon (i) the aggregate Series A Redemption Price with respect to the Series A Preferred to be redeemed on such date, (ii) the aggregate Series B Redemption Price with respect to the Series B Preferred to be redeemed on such date, (iii) the aggregate Series C Redemption Price with respect to the Series C Preferred to be redeemed on such date and (iv) the aggregate Series D Redemption Price with respect to the Series D Preferred to be redeemed on such date. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Preferred Stock, such funds shall immediately be used to redeem the balance of the shares of Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred which the Corporation has become obligated to redeem, but which it has not

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redeemed. If any proposed Change in Ownership does not occur, all requests for redemption in connection therewith shall be automatically rescinded, or if there has been a material change in the terms or the timing of the transaction, any Preferred Holder may rescind such holder's request for redemption by delivering written notice thereof to the Corporation prior to the later of (a) the consummation of the transaction or (b) five days after the Corporation has notified such Preferred Holder of such material change.

(ii) If a Fundamental Change is proposed to occur, the Corporation shall give written notice of such Fundamental Change describing in reasonable detail the material terms and date of consummation thereof to each Preferred Holder not more than 45 days nor less than 20 days prior to the consummation of such Fundamental Change, and the Corporation shall give each Preferred Holder prompt written notice of any material change in the terms or timing of such transaction. Any Preferred Holder may require the Corporation to redeem all or any portion of the Preferred Stock owned by such holder at a price per share equal to the Series A Redemption Price, in the case of the Series A Preferred, the Series B Redemption Price, in the case of the Series B Preferred, the Series C Redemption Price, in the case of the Series C Preferred and the Series D Redemption Price, in the case of the Series D Preferred, by giving written notice to the Corporation of such election prior to the later of (a) ten days prior to the consummation of the Fundamental Change or (b) ten days after receipt of notice from the Corporation. The Corporation shall give prompt written notice of such election to all other Preferred Holders (but in any event within five days prior to the consummation of the Fundamental Change), and each such holder shall have until five days after the receipt of such notice to request redemption (by written notice given to the Corporation) of all or any portion of the Preferred Stock owned by such holder.

Upon receipt of such election(s), the Corporation shall be obligated to redeem the aggregate number of shares of Preferred Stock specified therein upon the consummation of such Fundamental Change. If the funds of the Corporation legally available for redemption of such shares of Preferred Stock on the date of consummation of such Fundamental Change are insufficient to redeem the total number of shares of the Preferred Stock to be redeemed on any such date, those funds which are legally available therefor shall be used to redeem the maximum possible number of shares of the Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred pro rata among the holders of the shares of the Preferred Stock to be redeemed based upon (i) the aggregate Series A Redemption Price with respect to the Series A Preferred to be redeemed on such date, (ii) the aggregate Series B Redemption Price with respect to the Series B Preferred to be redeemed on such date, (iii) the aggregate Series C Redemption Price with respect to the Series C Preferred to be redeemed on such date and (iv) the aggregate Series D Redemption Price with respect to the Series D Preferred to be redeemed on such date. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Preferred Stock, such funds shall immediately be used to redeem the balance of the shares of Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred which the Corporation has become obligated to redeem, but which it has not redeemed. If any proposed Fundamental Change does not occur, all requests for redemption in connection therewith shall be automatically rescinded, or if there has been a material change in the terms or the

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timing of the transaction, any Preferred Holder may rescind such holder's request for redemption by delivering written notice thereof to the Corporation prior to the later of (a) the consummation of the transaction or (b) five days after the Corporation has notified such Preferred Holder of such material change.

Section 4. Voting Rights.

(a) The Preferred Holders shall be entitled to notice of all shareholders meetings in accordance with the Corporation's bylaws and shall be entitled to vote on all matters submitted to the shareholders for a vote together with the holders of the Common Stock, voting together as a single class (except as to those matters set out in this Section 4 where the holders of Series A Preferred, Series B Preferred and Series C Preferred/Series D Preferred vote separately as separate classes or together as a separate class, as applicable), with each share of Common Stock entitled to one vote per share, each share of Series A Preferred entitled to one vote for each share of Common Stock issuable upon conversion of the Series A Preferred, each share of Series B Preferred entitled to one vote for each share of Common Stock issuable upon conversion of the Series B Preferred, each share of Series C Preferred entitled to one vote for each share of Common Stock issuable upon conversion of the Series C Preferred and each share of Series D Preferred entitled to one vote for each share of Common Stock issuable upon conversion of the Series D Preferred, in each case, as of the record date for such vote or, if no record date is specified, as of the date of such vote.

(b) The affirmative vote of the holders of a majority of the issued and outstanding shares of Series A Preferred, voting separately as a class, acting by written consent or in person or by proxy at a special or annual meeting of shareholders called for the purpose, shall be necessary to authorize the Corporation to take any of the following actions:

(i) increase the authorized number of shares of, or issue additional shares of, Series A Preferred;

(ii) amend, repeal or change, directly or indirectly, any of the provisions of the Articles of Incorporation of the Corporation, as amended, or the bylaws of the Corporation in any manner that would alter or change the powers, preferences or special rights of the shares of Series A Preferred so as to affect them adversely (or waive any provision of either thereof);

(iii) authorize or effect, or permit any Material Subsidiary to authorize or effect, the sale, lease, license, abandonment or other disposition of all or substantially all of the assets of the Corporation or any Material Subsidiary or the merger or consolidation of the Corporation or any Material Subsidiary with any other Person as a result of which the shareholders of the Corporation immediately prior to such merger and consolidation shall own less than 50.1% of the voting securities of the surviving corporation, unless such transaction results in each holder of Series A Preferred, or its successor or assigns as the case may be receiving cash proceeds equal to or exceeding the greater of (A) four (4) times the original aggregate purchase price of each share of Series

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A Preferred purchased by such holder or (B) a 50% internal rate of return (in each case, based on the original \$.70 per share valuation of the Series A Preferred);

(iv) authorize or issue any class or series of the Corporation's or any Subsidiary's capital stock (or options, warrants or other rights to acquire any such capital stock) ranking with respect to liquidation preference, dividends, redemption or voting rights senior in right to, or on parity with, the Series A Preferred Stock; or

(v) obligate itself to do any of the foregoing.

(c) The affirmative vote of the holders of at least sixty percent (60%) of the issued and outstanding shares of Series B Preferred, voting separately as a class, acting by written consent or in person or by proxy at a special or annual meeting of shareholders called for the purpose, shall be necessary to authorize the Corporation to take any of the following actions:

(i) increase the authorized number of shares of, or issue additional shares of, Series B Preferred (other than in connection with the issuance to Imperial Bank or its designees of warrants to purchase up to 75,000 shares of Series B Preferred (as adjusted to give effect to any subdivision or combination of the Corporation's Series B Preferred occurring after the issuance of such warrants) in conjunction with a debt financing transaction approved by the Corporation's Board);

(ii) amend, repeal or change, directly or indirectly, any of the provisions of the Articles of Incorporation of the Corporation, as amended, or the bylaws of the Corporation in any manner that would alter or change the powers, preferences or special rights of the shares of Series B Preferred so as to affect them adversely (or waive any provision of either thereof);

(iii) authorize or effect, or permit any Material Subsidiary to authorize or effect, the sale, lease, license, abandonment or other disposition of all or substantially all of the assets of the Corporation or any Material Subsidiary or the merger or consolidation of the Corporation or any Material Subsidiary with any other Person as a result of which the shareholders of the Corporation immediately prior to such merger and consolidation shall own less than a majority of the voting securities of the surviving corporation, unless such transaction results in each holder of Series B Preferred, or its successor or assigns as the case may be, receiving cash proceeds equal to or exceeding the greater of (A) three (3) times the original aggregate purchase price of each share of Series B Preferred purchased by such holder or (B) a 50% internal rate of return (in each case, based on the original \$.80 per share valuation of the Series B Preferred);

(iv) authorize or issue any class or series of the Corporation's or any Subsidiary's capital stock (or options, warrants or other rights to acquire any such capital stock) ranking with respect to liquidation preference, dividends, redemption or voting rights, senior in right to, or on parity with, the Series B Preferred; or

(v) obligate itself to do any of the foregoing.

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(d) The affirmative vote of the holders of a majority of the issued and outstanding shares of Series C Preferred and Series D Preferred, voting separately as a class, acting by written consent or in person or by proxy at a special or annual meeting of shareholders called for the purpose, shall be necessary to authorize the Corporation to take any of the following actions:

(i) increase the authorized number of shares of, or issue additional shares of, Series C Preferred or Series D Preferred;

(ii) amend, repeal or change, directly or indirectly, any of the provisions of the Articles of Incorporation of the Corporation, as amended, or the bylaws of the Corporation in any manner that would alter or change the powers, preferences or special rights of the shares of Series C Preferred and/or Series D Preferred so as to affect them adversely (or waive any provision of either thereof);

(iii) authorize or effect, or permit any Material Subsidiary to authorize or effect, the sale, lease, license, abandonment or other disposition of all or substantially all of the assets of the Corporation or any Material Subsidiary or the merger or consolidation of the Corporation or any Material Subsidiary with any other Person as a result of which the shareholders of the Corporation immediately prior to such merger and consolidation shall own less than 50.1% of the voting securities of the surviving corporation, unless such transaction does not require the approval of the holders of the Series A Preferred and/or the Series C Preferred pursuant to this Section 4;

(iv) authorize or issue any class or series of the Corporation's or any Subsidiary's capital stock (or options, warrants or other rights to acquire any such capital stock) ranking with respect to liquidation preference, dividends, redemption or voting rights senior in right to, or on parity with, the Series C Preferred or Series D Preferred; or

(v) obligate itself to do any of the foregoing.

(e) The affirmative vote of the holders of a majority of the issued and outstanding shares of Series A Preferred and Series B Preferred, voting together as a single class, acting by written consent or in person or by proxy at a special or annual meeting of shareholders called for the purpose, shall be necessary to authorize the Corporation to take any of the following actions:

(i) authorize the Corporation to, or permit any Subsidiary to, incur, create, assume, become or be liable, directly, indirectly or contingently, in any manner with respect to, or permit to exist, any indebtedness or liability for borrowed money, other than indebtedness under capital leases or the like, if the aggregate of all such outstanding indebtedness and liabilities of the Corporation or any Subsidiary exceeds the principal amount of \$5,000,000; provided, however, that no term of any such indebtedness shall be modified or amended in any material respect, nor shall payment thereof be extended, without the written consent of the holders of 67% of the Series A Preferred and Series B Preferred;

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(ii) authorize or effect the declaration or payment of dividends or other distributions upon, or, redeem or repurchase any equity securities of the Corporation other than pursuant to Sections 3 and 7 hereof. Notwithstanding the foregoing, the Corporation may, without obtaining any approval hereunder, repurchase or redeem its equity securities if and to the extent required to do so pursuant to contractual arrangements outstanding on the effective date hereof;

(iii) authorize or effect an amendment or change to the Corporation's Articles of Incorporation or bylaws to increase the size of the Corporation's Board of Directors beyond (9) nine Persons;

(iv) authorize or effect any increase in the number of shares of Common Stock reserved for issuance pursuant to the Stock Option Plan or issue any shares of capital stock of the Corporation or any Derivative Securities to any employees, directors or consultants of the Company except pursuant to (i) the Stock Option Plan or (ii) contractual arrangements outstanding on January 25, 2001; or

(v) obligate itself to do any of the foregoing.

Section 5. Conversion.

(a) Conversion Procedure.

(i) At any time and from time to time, any holder of Preferred Stock may convert all or any portion of the Preferred Stock (including any fraction of a share) held by such holder into a number of shares of Conversion Stock computed by multiplying the number of shares to be converted by the Issuance Price, and dividing the result by the Conversion Price (as defined in subsection (b) below) then in effect. All shares of Preferred Stock shall automatically convert into Common Stock at the same ratio set forth in the preceding sentence upon (A) as to the Series A Preferred only, the election of the holders of not less than 67% of the then outstanding shares of Series A Preferred, (B) as to the Series B Preferred only, the election of the holders of not less than 67% of the then outstanding shares of Series B Preferred, (C) as to the Series C Preferred and Series D Preferred only, the election of the holders of not less than 67% of the then outstanding shares of Series C Preferred and Series D Preferred or (D) the consummation of a Qualified Public Offering.

(ii) Except as otherwise provided herein, each conversion of Preferred Stock shall be deemed to have been effected as of the close of business on the date on which the certificate or certificates representing the Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred to be converted have been surrendered for conversion at the principal office of the Corporation. At the time any such conversion has been effected, the rights of the holder of the shares converted as a holder of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred, as the case may be, shall cease and the Person or Persons in whose name or names any certificate or certificates for shares of Conversion Stock are to be issued upon such conversion shall be

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deemed to have become the holder or holders of record of the shares of Conversion Stock represented thereby.

(iii) The conversion rights of any share subject to redemption hereunder shall terminate on the Redemption Date for such share unless the Corporation has failed to pay to the holder thereof, as applicable, the Series A Redemption Price, the Series B Redemption Price, the Series C Redemption Price or the Series D Redemption Price of such share.

(iv) Notwithstanding any other provision hereof, if a conversion of Preferred Stock is to be made in connection with a Public Offering, a Change in Ownership, a Fundamental Change or other transaction affecting the Corporation, the conversion of any shares of Preferred Stock may, at the election of the holder thereof, be conditioned upon the consummation of such transaction, in which case such conversion shall not be deemed to be effective until such transaction has been consummated.

(v) As soon as possible after a conversion has been effected, the Corporation shall deliver to the converting holder:

(1) a certificate or certificates representing the number of shares of Conversion Stock issuable by reason of such conversion in such name or names and such denomination or denominations as the converting holder has specified; and

(2) a certificate representing any shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred which were represented by the certificate or certificates delivered to the Corporation in connection with such conversion but which were not converted.

(vi) If for any reason the Corporation is unable to pay any portion of the accrued and unpaid dividends on Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred being converted, such dividends shall be paid as a note or shall be paid in cash as soon as practicable for the Corporation to pay such dividends.

(vii) The issuance of certificates for shares of Conversion Stock upon conversion of Preferred Stock shall be made without charge to the holders of such shares for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such conversion and the related issuance of shares of Conversion Stock. Upon conversion of each share of Preferred Stock, the Corporation shall take all such actions as are necessary in order to insure that the Conversion Stock issuable with respect to such conversion shall be validly issued, fully paid and nonassessable, free and clear of all taxes, liens, charges and encumbrances with respect to the issuance thereof.

(viii) The Corporation shall not close its books against the transfer of Preferred Stock or of Conversion Stock issued or issuable upon conversion of Preferred Stock in any manner which interferes with the timely conversion of the Preferred Stock. The Corporation shall assist and cooperate with any Preferred Holder, at the Corporation's expense, required to make any governmental filings or obtain any governmental approval prior to or in connection with any conversion of shares hereunder

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(including, without limitation, making any filings required to be made by the Corporation).

(ix) The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Conversion Stock, solely for the purpose of issuance upon the conversion of the Preferred Stock, such number of shares of Conversion Stock issuable upon the conversion of all outstanding shares of Preferred Stock. All shares of Conversion Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges. The Corporation shall take, at the Corporation's expense, all such actions as may be necessary to assure that all such shares of Conversion Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Conversion Stock may be listed (except for official notice of issuance which shall be promptly delivered by the Corporation upon each such issuance). The Corporation shall not take any action which would cause the number of authorized but unissued shares of Conversion Stock to be less than the number of such shares required to be reserved hereunder for issuance upon conversion of the Preferred Stock.

(x) If any fractional interest in a share of Conversion Stock would, except for the provisions of this subparagraph, be delivered upon any conversion of any Preferred Stock, the Corporation, in lieu of delivering the fractional share therefor, shall pay an amount to the holder thereof equal to the Market Price of such fractional interest as of the date of conversion.

(b) Conversion Price.

(i) The initial Conversion Price of the Series A Preferred shall be \$.70, the initial Conversion Price of the Series B Preferred shall be \$.80, the initial Conversion Price of the Series C Preferred shall be \$.80 and the initial Conversion Price of the Series D Preferred shall be \$.80. In order to prevent dilution of the conversion rights granted under this Section 5, the Conversion Price shall be subject to adjustment from time to time pursuant to this Section 5.

(ii) If and on each occasion that, at any time after September ____, 2001, the Corporation issues or sells, or in accordance with paragraph 5(c) is deemed to have issued or sold, any shares of its Common Stock or Common Stock Equivalents (other than Common Stock and Common Stock Equivalents issued pursuant to (i) the Merger Agreement and (ii) the earn-out provisions of the employment agreements to be entered into in connection with the Merger Agreement) for a consideration per share less than the Conversion Price in effect immediately prior to the time of such issue or sale (the "Applicable Conversion Price"), then forthwith upon such issue or sale the Conversion Price shall be reduced to the Conversion Price determined by dividing (1) the sum of (x) the product derived by multiplying the Conversion Price in effect immediately prior to such issue or sale times the number of shares of Common Stock Deemed Outstanding immediately prior to such issue or sale, plus (y) the consideration, if any, received by the

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Corporation upon such issue or sale, by (2) the number of shares of Common Stock Deemed Outstanding immediately after such issue or sale.

(iii) Notwithstanding the foregoing, there shall be no adjustment in the Conversion Price as a result of any issue or sale (or deemed issue or sale) of shares of Common Stock or Common Stock Equivalents below the Applicable Conversion Price (A) to employees, directors and consultants of the Corporation and its Subsidiaries pursuant to stock option plans and stock ownership plans approved by the Corporation's Board of Directors (each, an "Option Plan") up to an aggregate of 2,797,751 shares under all such Option Plans (as adjusted to give effect to any subdivision or combination of the Corporation's Common Stock) (the "Option Cap"); provided that to the extent shares of Common Stock or Common Stock Equivalents are issued under Option Plans in excess of the Option Cap, no Conversion Price adjustment will occur if and to the extent that each of the director(s) nominated by the Series B Holders who sit on the Compensation Committee (or if the determination to issue such securities is made at the Board level, each of the director(s), if any, nominated by the Series B Holders who sit on the Board) affirmatively consent to such issuance or (B) upon the exercise or conversion of Convertible Securities outstanding on September ___, 2001.

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

(i) Issuance of Rights or Options. If the Corporation in any manner grants or sells any Options and the price per share for which Common Stock is issuable upon the exercise of such Options, or upon conversion or exchange of any Convertible Securities issuable upon exercise of such Options, is less than the Conversion Price in effect immediately prior to the time of the granting or sale of such Options, then the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the granting or sale of such Options for such price per share. For purposes of this paragraph, the "price per share for which Common Stock is issuable" shall be determined by dividing (A) the total amount, if any, received or receivable by the Corporation as consideration for the granting or sale of such Options, plus the minimum aggregate amount of additional consideration payable to the Corporation upon exercise of all such Options, plus in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the issuance or sale of such Convertible Securities and the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options. No further adjustment of the Conversion Price shall be made when Convertible Securities are actually issued upon the exercise of such Options or when Common Stock is actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

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(ii) Issuance of Convertible Securities. If the Corporation in any manner issues or sells any Convertible Securities and the price per share for which Common Stock is issuable upon conversion or exchange thereof is less than the Conversion Price in effect immediately prior to the time of such issue or sale, then the maximum number of shares of Common Stock issuable upon conversion or exchange of such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Corporation at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock is issuable" shall be determined by dividing (A) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof, by (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No further adjustment of the Conversion Price shall be made when Common Stock is actually issued upon the conversion or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustments of the Conversion Price had been or are to be made pursuant to other provisions of this Section 5, no further adjustment of the Conversion Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Conversion Rate. If the purchase price provided for in any Options, the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities or the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock changes at any time, the Conversion Price in effect at the time of such change shall be immediately adjusted to the Conversion Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold; provided that if such adjustment would result in an increase of the Conversion Price then in effect, such adjustment shall not be effective until 30 days after written notice thereof has been given by the Corporation to all Series A Holders, Series B Holders, Series C Holders and/or Series D Holders, as applicable. For purposes of paragraph 5(c), if the terms of any Option or Convertible Security which was outstanding as of the respective original dates of issuance of the Series A Preferred and Series B Preferred (or as of September __, 2001, with respect to the Series C Preferred and Series D Preferred) are changed in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such change; provided that no such change shall at any time cause the Conversion Price hereunder to be increased.

(iv) Treatment of Expired Options and Unexercised Convertible Securities. Upon the expiration of any Option or the termination of any right to convert or exchange any Convertible Security without the exercise of any such Option or right, the Conversion Price then in effect hereunder shall be adjusted immediately to the Conversion Price which would have been in effect at the time of such expiration or

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termination had such Option or Convertible Security, to the extent outstanding immediately prior to such expiration or termination, never been issued; provided that if such expiration or termination would result in an increase in the Conversion Price then in effect, such increase shall not be effective until 30 days after written notice thereof has been given to all Series A Holders, Series B Holders, Series C Holders and/or Series D Holders, as applicable. For purposes of paragraph 5(c), the expiration or termination of any Option or Convertible Security which was outstanding as of the respective original dates of issuance of the Series A Preferred and Series B Preferred (or as of September ___, 2001, with respect to the Series C Preferred and Series D Preferred) shall not cause the Conversion Price hereunder to be adjusted unless, and only to the extent that, a change in the terms of such Option or Convertible Security caused it to be deemed to have been issued after the date of respective original dates of issuance of the Series A Preferred or Series B Preferred (or after September ___, 2001, with respect to the Series C Preferred and Series D Preferred).

(v) Calculation of Consideration Received. If any Common Stock, Option or Convertible Security is issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Corporation therefor (net of discounts, commissions and related expenses). If any Common Stock, Option or Convertible Security is issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Corporation shall be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Corporation shall be the Market Price thereof as of the date of receipt. If any Common Stock, Option or Convertible Security is issued to the owners of the non-surviving entity in connection with any merger in which the Corporation is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Option or Convertible Security, as the case may be. The fair value of any consideration other than cash and securities shall be determined by the Board in good faith.

(vi) Integrated Transactions. In case any Option is issued in connection with the issue or sale of other securities of the Corporation, together comprising one integrated transaction in which no specific consideration is allocated to such Option by the parties thereto, the Option shall be deemed to have been issued for a consideration of \$.01.

(vii) Treasury Shares. For purposes of this Section 5(c), the number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation or any Subsidiary, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock.

(viii) Record Date. If the Corporation takes a record of the holders of Common Stock for the purpose of entitling them (a) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities or (b) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common

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Stock deemed to have been issued or sold upon the declaration of such dividend or upon the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(d) Subdivision or Combination of Common Stock. If the Corporation at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision shall be proportionately reduced, and if the Corporation at any time combines (by reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased.

(e) Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Corporation's assets or other transaction, in each case which is effected in such a manner that the holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock, is referred to herein as an "Organic Change." Prior to the consummation of any Organic Change, the Corporation shall make appropriate provisions in form and substance satisfactory to (i) the holders of a majority of the Series A Preferred then outstanding, (ii) the holders of a majority of the Series B Preferred then outstanding, and (iii) the holders of a majority of the Series C Preferred and Series D Preferred then outstanding, to insure that each of the Preferred Holders shall thereafter have the right to acquire and receive, in lieu of or in addition to (as the case may be) the shares of Conversion Stock immediately theretofore acquirable and receivable upon the conversion of such holder's Preferred Stock, such shares of stock, securities or assets as such holder would have received in connection with such Organic Change if such holder had converted its Preferred Stock immediately prior to such Organic Change. In each such case, the Corporation shall also make appropriate provisions in form and substance satisfactory to (i) the holders of a majority of the Series A Preferred then outstanding, (ii) the holders of a majority of the Series B Preferred then outstanding, and (iii) the holders of a majority of the Series C Preferred and Series D Preferred then outstanding, to insure that the provisions of this Section 5 and Section 6 hereof shall thereafter be applicable to the Preferred Stock (including, in the case of any such consolidation, merger or sale in which the successor entity or purchasing entity is other than the Corporation, an immediate adjustment of the Conversion Price to the value for the Common Stock reflected by the terms of such consolidation, merger or sale, and a corresponding immediate adjustment in the number of shares of Conversion Stock acquirable and receivable upon conversion of Preferred Stock, if the value so reflected is less than the Conversion Price in effect immediately prior to such consolidation, merger or sale). The Corporation shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Corporation) resulting from consolidation or merger or the entity purchasing such assets assumes by written instrument in form and substance satisfactory to (i) the holders of a majority of the Series A Preferred then outstanding, (ii) the holders of a majority of the Series B Preferred then outstanding, and (iii) the holders of a majority of the Series C Preferred and Series D

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Preferred then outstanding, the obligation to deliver to each such holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire.

(f) Certain Events. If any event occurs of the type contemplated by the provisions of this Section 5 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Corporation's Board of Directors shall make an appropriate adjustment in the Conversion Price so as to protect the rights of the Preferred Holders.

(g) Notices.

(i) Immediately upon any adjustment of the Conversion Price affecting Series A Holders, Series B Holders, Series C Holders and/or Series D Holders, the Corporation shall give written notice thereof to all affected Preferred Holders, setting forth in reasonable detail and certifying the calculation of such adjustment.

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

(iii) The Corporation shall also give written notice to the Preferred Holders at least 20 days prior to the date on which any Organic Change shall take place.

(iv) Failure to provide timely notice pursuant to this Section 5(g) will not, in and of itself, affect the validity of any actions contemplated by Sections 5(g)(i), (ii) or (iii).

Section 6. Purchase and Subscription Rights.

(a) If at any time the Corporation grants, issues or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Stock (the "Purchase Rights"), then each Preferred Holder shall be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such holder could have acquired if such holder had held the number of shares of Conversion Stock acquirable upon conversion of such holder's Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(b) Unless (i) prohibited by rule, regulation, order or other writing of the Securities and Exchange Commission, or (ii) reasonably determined by the underwriter(s)

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to have a material adverse effect on such underwriter(s) ability to market the Corporation's initial Public Offering (such determination accompanied by adequate explanation to be provided in writing to the Series A Holders and Series B Holders), upon the Corporation's initial Public Offering, each holder of Series A Preferred and each holder of Series B Preferred, or such holder's assignee, shall be entitled to acquire its pro rata portion of an aggregate of (5%) five percent, or a lesser percentage to be reasonably determined by the underwriter(s) if the (5%) five percent amount is reasonably determined by the underwriter(s) to have a material adverse effect on such underwriter(s) ability to market the Corporation's initial Public Offering (such determination accompanied by adequate explanation to be provided in writing to the Series A Holders and Series B Holders), of the total securities offered in and at the per share price of the initial Public Offering.

Section 7. Events of Noncompliance.

(a) Definition. An Event of Noncompliance shall have occurred if:

(i) with regard only to the Series A Holders, the Corporation breaches or otherwise fails to perform or observe any covenant or agreement set forth herein for the benefit of such holders and such breach or failure to perform or observe such covenant or agreement is not cured by the Corporation within 60 days after written notice to the Corporation from any holder of the Series A Preferred of the breach of or failure to perform or observe such covenant or agreement and such breach has caused a Material Adverse Effect;

(ii) with regard only to the Series A Holders, the Corporation breaches or otherwise fails to perform or observe any covenant or agreement set forth in the Series A Purchase Agreement and such breach or failure to perform or observe such covenant or agreement is not cured by the Corporation within 60 days after written notice to the Corporation from any holder of the Series A Preferred of the breach of or failure to perform or observe such covenant or agreement and such breach has caused a Material Adverse Effect;

(iii) with regard only to the Series B Holders, the Corporation breaches or otherwise fails to perform or observe any covenant or agreement set forth herein for the benefit of such holders and such breach or failure to perform or observe such covenant or agreement is not cured by the Corporation within 60 days after written notice to the Corporation from any holder of Series B Preferred of the breach of or failure to perform or observe such covenant or agreement and such breach has caused a Material Adverse Effect;

(iv) with regard only to the Series B Holders, the Corporation breaches or otherwise fails to perform or observe any covenant or agreement set forth in the Series B Purchase Agreement and such breach or failure to perform or observe such covenant or agreement is not cured by the Corporation within 60 days after written notice to the Corporation from any holder of Series B Preferred of the breach of or failure to

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perform or observe such covenant or agreement and such breach has caused a Material Adverse Effect;

(v) with regard only to the Series A Holders, any representation or warranty contained in the Series A Purchase Agreement is false or misleading in any respect on the date made and such false or misleading character has caused a Material Adverse Effect;

(vi) with regard only to the Series B Holders, any representation or warranty contained in the Series B Purchase Agreement is false or misleading in any respect on the date made and such false or misleading character has caused a Material Adverse Effect;

(vii) with regard only to the Series A Holders, any Series B Holder exercises its rights under Section 7(b)(ii) hereof following the occurrence of an Event of Noncompliance described in clause (a) (iv) or (vi) of this Section 7;

(viii) with regard only to the Series B Holders, any Series A Holder exercises its rights under Section 7(b)(i) hereof following the occurrence of an Event of Noncompliance described in clause (a) (ii) or (v) of this Section 7;

(ix) the Corporation or any Subsidiary representing in excess of 10% of the Corporation's tangible net worth on a consolidated basis (a "10% Subsidiary") makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts generally as they become due; or an order, judgment or decree is entered adjudicating the Corporation or any 10% Subsidiary bankrupt or insolvent; or any order for relief with respect to the Corporation or any 10% Subsidiary is entered under the Federal Bankruptcy Code; or the Corporation or any 10% Subsidiary petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Corporation or any 10% Subsidiary or of any substantial part of the assets of the Corporation or any 10% Subsidiary, or commences any proceeding (other than a proceeding for the voluntary liquidation and dissolution of a Subsidiary) relating to the Corporation or any 10% Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction; or any such petition or application is filed, or any such proceeding is commenced, against the Corporation or any Subsidiary and either (a) the Corporation or any such Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein or (b) such petition, application or proceeding is not dismissed within 60 days;

(x) with regard only to the Series C Holders and Series D Holders, the Corporation breaches or otherwise fails to perform or observe any covenant or agreement set forth herein for the benefit of such holders and such breach or failure to perform or observe such covenant or agreement is not cured by the Corporation within 60 days after written notice to the Corporation from any holder of Series C Preferred or Series D Preferred of the breach of or failure to perform or observe such covenant or agreement and such breach has caused a Material Adverse Effect;

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(xi) with regard only to the Series C Holders and Series D Holders, the Corporation breaches or otherwise fails to perform or observe any covenant or agreement set forth in the Merger Agreement and such breach or failure to perform or observe such covenant or agreement is not cured by the Corporation within 60 days after written notice to the Corporation from any holder of the Series C Preferred or Series D Preferred of the breach of or failure to perform or observe such covenant or agreement and such breach has caused a Material Adverse Effect;

(xii) with regard only to the Series C Holders and Series D Holders, any representation or warranty contained in the Merger Agreement is false or misleading in any respect on the date made and such false or misleading character has caused a Material Adverse Effect;

(b) Consequences of Events of Noncompliance.

(i) If an Event of Noncompliance of the type described in subparagraphs 7(a)(i), (ii), (v) or (vii) has occurred, all of the Series A Preferred then held by a holder shall, at the option of such holder, be subject to redemption by the Corporation upon 10 days written notice from such holder to the Corporation as set forth below.

(ii) If an Event of Noncompliance of the type described in subparagraphs 7(a)(iii), (iv), (vi) or (viii) has occurred, all of the Series B Preferred then held by a holder shall, at the option of such holder, be subject to redemption by the Corporation upon 10 days written notice from such holder to the Corporation as set forth below.

(iii) If an Event of Noncompliance of the type described in subparagraphs 7(a)(x), (xi) or (xii) has occurred, all of the Series C Preferred and/or Series D Preferred then held by a holder shall, at the option of such holder, be subject to redemption by the Corporation upon 10 days written notice from such holder to the Corporation as set forth below.

(iv) If an Event of Noncompliance of the type described in subparagraphs 7(a)(ix) has occurred, all of the Series A Preferred, Series B Preferred, Series C Preferred and/or Series D Preferred then held by a holder shall, at the option of such holder, be subject to redemption by the Corporation upon 10 days written notice from such holder to the Corporation as set forth below.

(v) For redemptions pursuant to Section 7(b), the Corporation shall be obligated on five business days following receipt of notice of redemption to pay to the holder thereof (upon surrender by such holder at the Corporation's principal office of the certificate representing the redeemed shares) an amount in cash equal to the Series A Redemption Price (in the case of the Series A Preferred), the Series B Redemption Price (in the case of the Series B Preferred), the Series C Redemption Price (in the case of the Series C Preferred) and/or the Series D Redemption Price (in the case of the Series D

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Preferred). If the funds of the Corporation legally available for redemption are insufficient to redeem the total number of shares to be redeemed on such date, those funds which are legally available therefor shall be used to redeem the maximum possible number of shares pro rata among the holders of the shares to be redeemed based upon the aggregate Series A Redemption Price, Series B Redemption Price, Series C Redemption Price and/or Series D Redemption Price of the shares held by each such holder. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares, such funds shall immediately be used to redeem the balance of the shares which the Corporation has become obligated to redeem pursuant to this Section 7 but which it has not redeemed.

(vi) If any Event of Noncompliance exists, or a breach by the Corporation of any covenant or agreement set forth herein or in the Series A Purchase Agreement has occurred, or any representation or warranty furnished to any holder of Series A Preferred is false or misleading, each holder of Series A Preferred shall also have any other rights which such holder is entitled to under any contract or agreement at any time and any other rights which such holder may have pursuant to applicable law.

(vii) If any Event of Noncompliance exists, or a breach by the Corporation of any covenant or agreement set forth herein or in the Series B Purchase Agreement has occurred, or any representation or warranty furnished to any holder of Series B Preferred is false or misleading, each holder of Series B Preferred shall also have any other rights which such holder is entitled to under any contract or agreement at any time and any other rights which such holder may have pursuant to applicable law.

(viii) If any Event of Noncompliance exists, or a breach by the Corporation of any covenant or agreement set forth herein or in the Merger Agreement has occurred, or any representation or warranty furnished to any holder of Series C Preferred or Series D Preferred is false or misleading, each holder of Series C Preferred and/or Series D Preferred shall also have any other rights which such holder is entitled to under any contract or agreement at any time and any other rights which such holder may have pursuant to applicable law.

Section 8. Registration of Transfer.

The Corporation shall keep at its principal office a register for the registration of Preferred Stock. Upon the surrender of any certificate representing Preferred Stock at such place, the Corporation shall, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate.

Section 9. Replacement.

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Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor with a tangible net worth of at least \$100 million its own agreement shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 10. Definitions.

"Board" means the Corporation's Board of Directors.

"Change in Ownership" means any sale, transfer or issuance or series of sales, transfers and/or issuances of Common Stock by the Corporation or any holders thereof which results in any Person or group of Persons (as the term "group" is used under the Securities Exchange Act of 1934), other than the holders of Common Stock, Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred as of the date of the Merger Agreement, owning (a) more than 50% of the Common Stock outstanding on a fully-diluted basis at the time of such sale, transfer or issuance or series of sales, transfers and/or issuances or (b) capital stock of the Corporation possessing the voting power (under ordinary circumstances) to elect a majority of the Corporation's Board of Directors.

"Common Stock" means, collectively, the Corporation's Common Stock and any capital stock of any class of the Corporation hereafter authorized which is not limited to a fixed sum or percentage of par or stated value in respect to the rights of the holders thereof to participate in dividends or in the distribution of assets upon any liquidation, dissolution or winding up of the Corporation.

"Common Stock Deemed Outstanding" means, at any given time, the number of shares of Common Stock actually outstanding at such time, plus the number of shares of Common Stock deemed to be outstanding pursuant to subparagraphs 6(c)(i) and 6(c)(ii) hereof whether or not the Options or Convertible Securities are actually exercisable at such time, but excluding any shares of Common Stock issuable upon conversion of the Preferred Stock.

"Common Stock Equivalents" means (i) Convertible Securities and (ii) rights or options for the purchase of Common Stock or Convertible Securities, other than, in each such case, securities of the type referred to in Section 5(b)(iii) hereof.

"Compensation Committee" means the Compensation Committee established by the Board.

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"Conversion Stock" means shares of the Corporation's Common Stock issued or to be issued upon the conversion of the Preferred Stock.

"Convertible Securities" means any stock or securities directly or indirectly convertible into or exchangeable for Common Stock.

"Fundamental Change" means (a) any sale or transfer of more than 50% of the assets of the Corporation and its Subsidiaries on a consolidated basis (measured either by book value in accordance with generally accepted accounting principles consistently applied or by fair market value determined in the reasonable good faith judgment of the Corporation's Board of Directors) in any transaction or series of transactions (other than sales in the ordinary course of business) and (b) any merger or consolidation to which the Corporation is a party, except for a merger in which the holders of the Corporation's outstanding capital stock immediately prior to the merger shall continue to own the Corporation's outstanding capital stock possessing the voting power (under ordinary circumstances) to elect a majority of the Corporation's Board of Directors.

"Issuance Price" means, with respect to the Series A Preferred, \$.70, with respect to the Series B Preferred, \$.80, with respect to the Series C Preferred, \$.80 and with respect to the Series D Preferred, \$.80.

"Junior Securities" means any capital stock or other equity securities of the Corporation other than the Series B Preferred, including without limitation the Common Stock and, with regard to the Series B Preferred, the Series A Preferred, the Series C Preferred and the Series D Preferred.

"Liquidation Value" means, with respect to (i) any share of Series A Preferred or Series B Preferred as of any particular date, an amount equal to \$.70 per share, (ii) with respect to any share of Series C Preferred as of any particular date, an amount equal to \$2.10 per share and (iii) with respect to any share of Series D Preferred as of any particular date, an amount equal to \$.41 per share, such amounts to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting the Series A Preferred, Series B Preferred, Series C Preferred or Series D Preferred, as the case may be, occurring after the effective date hereof.

"Market Price" of any security means the average of the closing prices of such security's sales on all securities exchanges on which such security may at the time be listed, or, if there has been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such security is not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York time, or, if on any day such security is not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which "Market Price" is being determined and the 20 consecutive business days prior to such

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day. If at any time such security is not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the "Market Price" shall be the fair value thereof determined in good faith by the Board.

"Material Adverse Effect" means, with reference to the Corporation, a material adverse effect on the condition (financial or otherwise), operations, business, assets, or prospects of the Company, or on its ability to consummate the transactions contemplated in the Series B Purchase Agreement.

"Material Subsidiary" means any Subsidiary of the Corporation which represents more than 25% of the Corporation's tangible net worth on a consolidated basis.

"Merger Agreement" means the Agreement and Plan of Merger dated September __, 2001, between the Corporation, ScienceWise Acquisition Corporation, a Florida corporation, ScienceWise, Inc., a Delaware corporation ("SW") and certain shareholders of SW.

"Options" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities.

"Person" means an individual, a partnership, a corporation, a limited liability company, a limited liability, an association, a joint stock corporation, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Preferred Holders" means the holders of Preferred Stock of the Corporation.

"Preferred Stock" means the Series A Preferred, Series B Preferred, Series C Preferred and Series D Preferred.

"Public Offering" means any offering by the Corporation of its capital stock or equity securities to the public pursuant to an effective registration statement under the Securities Act, or any comparable statement under any similar federal statute then in force.

"Qualified Public Offering" means a firm-commitment underwritten public offering of shares of Common Stock pursuant to an effective registration statement under the Securities Act resulting in (i) aggregate gross proceeds to the Corporation of at least \$25,000,000 (before underwriting discounts and commissions and offering expenses) and (ii) a market capitalization of at least \$150,000,000 immediately following such public offering.

"Redemption Date" has the meaning set forth in Section 3(a) hereof.

"Redemption Notice" has the meaning set forth in Section 3(a) hereof.

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"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations of the Securities and Exchange Commission thereunder, all as the same are in effect at the relevant time of reference.

"Series A Purchase Agreement" means the Purchase Agreement, dated as of April 25, 2000, by and among the Corporation and certain investors, as such agreement may from time to time be amended in accordance with its terms.

"Series A Redemption Price" has the meaning set forth in Section 3(b) hereof.

"Series B Liquidation Preference" means, with respect to each share of Series B Preferred as of any particular date, an amount equal to \$.10 per share, such amount to be subject to proportionate adjustment in the event of any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event affecting the Series B Preferred Stock and occurring after January 25, 2001.

"Series B Purchase Agreement" means the Purchase Agreement, dated as of January 25, 2001, by and among the Corporation and certain investors, as such agreement may from time to time be amended in accordance with its terms.

"Series B Redemption Price" has the meaning set forth in Section 3(b) hereof.

"Series C Redemption Price" has the meaning set forth in Section 3(b) hereof.

"Series D Redemption Price" has the meaning set forth in Section 3(b) hereof.

"Stock Option Plan" means the Corporation's 1999 Long Term Incentive Plan (as amended and in effect from time to time) or any successor plan.

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

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business entity gains or losses or shall be or control the managing general partner of such limited liability company, partnership, association or other business entity.

Article VI
Registered Office And Agent

The street address of the registered office of the corporation is 1901 South Congress Avenue, Suite 200, Boynton Beach, Florida 33426 and the name of the registered agent of the corporation at that address is Jeffrey Hillier.

Article VII
Board of Directors

The number of directors of the corporation shall be as set forth in the bylaws. Such number of directors may be increased or diminished from time to time as provided in the bylaws, but shall never be less than one (1).

Article VIII
Powers

The corporation shall have all of the corporate powers enumerated in the Florida Business Corporation Act.

Article IX
Indemnification

Provided that the person proposed to be indemnified meets the requisite standard of conduct for permissive indemnification as set forth in the applicable provisions of the Florida Business Corporation Act (currently, Sections 607.0850(1) and (2) of the Florida Statutes), as the same may be amended from time to time, the corporation shall indemnify its officers and directors, and may indemnify its employees and agents, from and against any and all of the expenses or liabilities incurred in defending a civil or criminal proceeding, or other matters referred to in or covered by said provisions, including advancement of expenses prior to the final disposition of such proceedings and amounts paid in settlement of such proceedings, both as to action in their official capacity and as to action in any other capacity while an officer, director, employee or agent. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise. The indemnification provided herein shall continue as to a person who has ceased to be an officer, director, employee or agent of the corporation, and shall inure to the benefit of the heirs, the personal and other legal representatives of such person. An adjudication of liability shall not affect the right to indemnification for those indemnified.

Article X
Affiliated Transactions

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This corporation expressly elects not to be governed by Section 607.0901 of the Florida Business Corporation Act, as amended from time to time, relating to affiliated transactions.

Article XI
Control Share Acquisitions

This corporation expressly elects not to be governed by Section 607.0902 of the Florida Business Corporation Act, as amended from time to time, relating to control-share acquisitions.

Article XII
Bylaws

The bylaws may be adopted, altered, amended or repealed by either the shareholders or the board of directors, but the board of directors may not amend or repeal any bylaw provision adopted by the shareholders if the shareholders specifically provide such bylaw is not subject to amendment or repeal by the directors.

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IN WITNESS WHEREOF, the undersigned has executed these Restated Articles
of Incorporation this 28th day of September, 2001.



Eric Tomlinson, C.E.O.