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GUNSTER YOAKLEY

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## BASIC AMENDMENT

FOURBIT GROUP, INC.

Certificate of Status	0
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AMEND  
9/26/12-12  
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**ARTICLES OF AMENDMENT  
TO THE ARTICLES OF INCORPORATION OF  
FOURBIT GROUP, INC.**

Pursuant to Section 607.1006 of the Florida Statutes, FOURBIT GROUP, INC., a Florida profit corporation, adopts the following Articles of Amendment to its Articles of Incorporation:

**FIRST:** Amendment adopted: Article V is being amended to add Item D, Designation of Series A Preferred Stock, as follows:

**"D. DESIGNATION OF SERIES A PREFERRED STOCK**

**Rights, Preferences and Restrictions of Series A Preferred Stock.** The Preferred Stock authorized by the Corporation's Articles of Incorporation may be issued from time to time in one or more series. The first series of Preferred Stock shall be designated "Series A Preferred Stock" and shall consist of Seven Hundred Fifty Thousand (750,000) shares. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock are as set forth below.

1. **Dividend Provisions.** The holders of the shares of Series A Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefore, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock) on the Common Stock of this Corporation, at the rate of \$0.10 per share of Series A Preferred Stock held by them (as adjusted for any stock dividends, combinations or splits with respect to the Series A Preferred Stock). Such dividends shall not be cumulative. No dividend shall be paid on the Common Stock in any fiscal year unless the aforementioned preferential dividends of the Series A Preferred Stock during such fiscal year (together with any non-preferential dividend paid on the Series A Preferred Stock during such fiscal year) equals or exceeds the dividends per share (compared on an as-converted basis) paid during that fiscal year on the Common Stock.

2. **Liquidation.**

a. **Preference.** In the event of any liquidation, dissolution or winding up of the Corporation (each, a "Liquidating Transaction"), whether voluntary or involuntary, the holders of the Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) \$2.00 (appropriately adjusted to reflect subsequent stock splits, stock dividends, combinations or other recapitalizations) for each share of Series A Preferred Stock then held by them, plus declared but unpaid dividends (appropriately adjusted to reflect subsequent stock splits, stock dividends, combinations or other recapitalizations); and (ii) the same distribution that each holder of a share of Series A Preferred Stock would have received if all shares of Series A Preferred Stock were converted to Common Stock immediately prior to the distribution resulting from such

liquidation, dissolution or winding up and such distribution were then distributed among the holders of the Common Stock pro rata based on the number of shares of Common Stock held by each.

b. **Remaining Assets.** Upon the completion of the distribution required by Section 2.a. above, the remaining assets of the Corporation available for distribution to stockholders shall be distributed among the holders of the Common Stock and any class of Preferred Stock that shares ratably with the holders of Common Stock upon a Liquidating Distribution ("Pari Passu Stock"). Such distribution shall be made pro rata based on the number of shares of (i) Common Stock held by each such holder, and (ii) Common Stock that would have been held by each such holder if the shares of Pari Passu Stock were converted into Common Stock just prior to the Liquidating Distribution.

c. **Certain Acquisitions.**

(i) **Deemed Liquidation.** For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to occur if: (x) the Corporation is acquired by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation); or (y) the Corporation shall sell, convey, or otherwise dispose of all or substantially all of its property or business; unless in each such case, the Corporation's stockholders of record immediately prior to the acquisition or sale will, immediately after the consummation of the acquisition or sale, beneficially own, directly or indirectly, at least 50% of the voting power of the surviving or successor entity to the business of the Corporation; and provided further that this Section 2.c.(i) shall not apply to a merger effected solely for the purpose of changing the domicile of the Corporation.

(ii) **Valuation of Consideration.** In the event of a deemed liquidation as described in Section 2.c.(i) above, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(a) The method of valuation of securities not subject to an investment letter or other similar restrictions on free marketability:

(1) If traded on a securities exchange or The Nasdaq Stock Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty-day (30) period ending three (3) days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty-day (30) period ending three (3) days prior to the closing; and

(3) If there is no active public market, the value shall be the fair market value thereof, as mutually determined by the Corporation and the holders of at least a majority of the voting power of all then outstanding shares of

Series A Preferred Stock, and if not so mutually determined, then the Corporation and the holders of at least a majority of the voting power of all then outstanding shares of Series A Preferred A Stock will choose an independent third party to determine the appropriate value.

(b) The method of valuation of securities subject to an investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in Section 2.c.(ii)(a) to reflect the approximate fair market value of the securities, as mutually determined by the Corporation and the holders of at least a majority of the voting power of all then outstanding shares of Series A Preferred Stock, and if not so mutually determined, then the Corporation and the holders of at least a majority of the voting power of all then outstanding shares of Series A Preferred Stock shall choose an independent third party to determine the appropriate value.

(iii) **Notice of Transaction.** The Corporation shall give each holder of record of Series A Preferred Stock written notice of an impending Liquidating Transaction not later than fifteen (15) days prior to the stockholders' meeting called to approve such transaction, or fifteen (15) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The Liquidating Transaction shall in no event take place sooner than fifteen (15) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of Series A Preferred Stock that are entitled to notice and that represent at least a majority of the voting power of all then outstanding shares of the Series A Preferred Stock.

(iv) **Effect of Noncompliance.** In the event the requirements of this Section 2.c. are not complied with, the Corporation shall forthwith either cause the closing of the transaction to be postponed until such requirements have been complied with, or cancel such transaction, in which event the rights, preferences and privileges of the holders of the Series A Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in Section 2.c.(iii) hereof.

3. **Redemption.** Unless otherwise provided for in an agreement between the Corporation and the holders of the Series A Preferred Stock, the Series A Preferred Stock is not redeemable.

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

a. **Right to Convert.** Subject to Section 4.c., each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing \$2.00 by the Conversion Price, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion; provided, however, that the Conversion Price shall be subject to adjustment as set forth in Section 4.c.

b. **Mechanics of Conversion.** Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, it shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to the holder of the Series A Preferred Stock, or to the nominee or nominees of the holder, a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid. The conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the shares of Series A Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon the conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering (the "Public Offering") of securities registered pursuant to the Securities Act of 1933, as amended (the "Securities Act") the conversion, unless otherwise designated by the holder tendering the Series A Preferred Stock for conversion, will be conditioned upon the closing with the underwriters of the sale of securities pursuant to the Public Offering, in which event the person(s) entitled to receive Common Stock upon conversion of the Series A Preferred Stock shall not be deemed to have converted the Series A Preferred Stock until immediately prior to the closing of the Public Offering.

c. **Conversion Price Adjustments of Series A Preferred Stock for Certain Dilutive Issuances, Splits and Combinations.** The Conversion Price of the Series A Preferred Stock shall be subject to adjustment from time to time as follows:

(i) **Adjustments for Additional Stock.** If this Corporation shall issue, after the date on which any shares of Series A Preferred Stock were first issued (the "Purchase Date"), to any persons, any Additional Stock (as defined below in Section 4.c.(vi)) without consideration or for a consideration per share less than the Conversion Price for the Series A Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such shares of Series A Preferred Stock in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this Section 4.c.) be adjusted to a price determined by multiplying the Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such

issuance plus the number of shares of Common Stock that the aggregate consideration received by this Corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the number of shares of such Additional Stock.

(ii) **Amounts Less than One Hundredth.** No adjustment of the Conversion Price for the Series A Preferred Stock shall be made in an amount less than one hundredth of one cent per share, provided, that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to 3 years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of 3 years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in sections 4.c.(v)(c) and (d), no adjustment of such Conversion Price pursuant to Section 4.c.(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(iii) **Common Stock for Cash.** In the case of the issuance of shares of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by this Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(iv) **Noncash Consideration for Common Stock.** In the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(v) **Derivative Securities.** In the case of the issuance (whether before, on or after the applicable Purchase Date) of options, warrants or other rights to purchase or subscribe for shares of Common Stock, securities by their terms convertible into or exchangeable for shares of Common Stock or options, warrants or other rights to purchase or subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of Section 4.c.(i) and Section 4.c.(vi):

(a) The aggregate maximum number of shares of Common Stock deliverable on exercise (assuming the satisfaction of any conditions to exercisability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options, warrants or other rights to purchase or subscribe for shares of Common Stock shall be deemed to have been issued at the time such options, warrants or other rights were issued and for a consideration equal to the consideration (determined in the manner provided in Sections 4.c.(iii) and 4.c.(iv)), if any, received by this Corporation on the issuance of such options, warrants or other rights plus the minimum exercise price provided in such

options, warrants or other rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(b) The aggregate maximum number of shares of Common Stock deliverable on conversion of, or in exchange for (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments), any such convertible or exchangeable securities or on the exercise of options, warrants or other rights to purchase or subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options, warrants or other rights were issued and for a consideration equal to the consideration, if any, received by this Corporation for any such securities and related options, warrants or other rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by this Corporation (without taking into account potential antidilution adjustments) on the conversion or exchange of such securities or the exercise in full of any related options, warrants or other rights (the consideration in each case to be determined in the manner provided in Sections 4.c.(iii) and 4.c.(iv)).

(c) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to this Corporation on exercise of such options, warrants or other rights or on conversion of, or in exchange for, such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Conversion Price of the Series A Preferred Stock, to the extent in any way affected by or computed using such options, warrants or other rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration on the exercise of any such options, warrants or other rights or the conversion or exchange of such securities.

(d) On the expiration of any such options, warrants or other rights, the termination of any such rights to convert or exchange or the expiration of any options, warrants or other rights related to such convertible or exchangeable securities, the Conversion Price of the Series A Preferred Stock, to the extent in any way affected by or computed using such options, warrants or other rights or securities or options, warrants or other rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued on the exercise of such options, warrants or other rights, on the conversion or exchange of such securities or on the exercise of the options, warrants or other rights related to such securities.

(e) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Sections 4.c.(v)(a) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section 4.c.(v)(c) or (d).

(vi) **Additional Stock.** "**Additional Stock**" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 4.c.(v)) by this Corporation after the Purchase Date other than the Excluded Stock. "**Excluded Stock**" means the following:

(a) shares of Common Stock issued or issuable on conversion of the Series A Preferred Stock,

(b) shares of Common Stock issued or issuable (1) in a Public Offering, before or in connection with which all outstanding shares of Series A Preferred Stock will be converted to Common Stock or (2) on exercise of warrants or rights granted to underwriters in connection with a Public Offering,

(c) shares of Common Stock issuable or issued in any transaction pursuant to which the Corporation is acquiring substantially all of the outstanding common stock or other equity interests of any other corporation or entity or a significant portion of the assets of any such entity if either the Board of Directors has determined that the value received per share of the Corporation's Common Stock issued in such transaction is greater than or equal to the Conversion Price at such time,

(d) shares of Common Stock issued to any person or entity that a majority of the directors of the Corporation, in the exercise of their reasonable business judgment, determine offer the Corporation a strategic advantage in the operation of the Corporation such that it would be desirable to enter into a relationship with such person or entity,

(e) shares of Common Stock issued or issuable to employees, officers, directors or advisory board members of, or consultants to, the Corporation pursuant to the 2000 Stock Option Plan, or any other stock grant, option plan, or purchase plan or other stock incentive program (collectively, the Plans) approved by the Board of Directors,

(f) shares of Common Stock issued or issuable as a dividend or distribution on the Preferred Stock,

(g) shares of Common Stock issued or issuable to commercial banks, equipment loan companies and other lending of financial institutions in connection with borrowings or lease financings effected by the Corporation in which the Corporation issues shares representing less than twenty percent (20%) of the total outstanding shares of capitol stock of the Corporation (on an as-converted into Common Stock basis),

(h) shares of common Stock issued or issuable if the holders of a majority of the Preferred Stock then outstanding agree in writing that such shares shall not constitute Additional Shares of Common Stock, and

(i) any issuance of additional shares of Common Stock for which a distribution is made pursuant to paragraph (d) of this Section 4 or an



adjustment in Conversion Price is made pursuant to paragraph (c) or (e) of this Section 4.

(vii) **Stock Splits and Dividends.** In the event this Corporation should at any time or from time to time after the Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable on conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of the Series A Preferred Stock shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents (with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in Section 4.c.(v)).

(viii) **Reverse Stock Splits.** If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock then, following the record date of such combination, the Conversion Price for the Series A Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the outstanding shares of Common Stock as a result of such combination.

d. **Other Distributions.** In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 4.c.(vi), then, in each such case for the purpose of this Section 4.d., the holders of Series A Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Series A Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

e. **Recapitalizations.** If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or Section 2) provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive upon conversion of such Series A Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have

been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Series A Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of such Series A Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

f. **No Impairment.** The Corporation will not, without the consent of the holders of at least a majority of shares of Series A Preferred Stock, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of Series A Preferred Stock against impairment.

g. **No Fractional Shares and Certificate as to Adjustments.**

(i) No fractional shares shall be issued on the conversion of any share or shares of the Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A 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 the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Corporation shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value (as determined by the Corporation's Board of Directors) on the date of conversion.

(ii) On the occurrence of each adjustment or readjustment of the Conversion Price of Series A Preferred Stock pursuant to this Section 4, this Corporation, at its expense, shall reasonably promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts on which such adjustment or readjustment is based. This Corporation shall, on the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (a) such adjustment and readjustment, (b) the Conversion Price for shares of Series A Preferred Stock at the time in effect and (c) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received on the conversion of a share of Series A Preferred Stock.

h. **Notices of Record Date.** In the event of any taking by this Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise

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

i. **Reservation of Stock Issuable Upon Conversion.** This Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and, if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, in addition to such other remedies as shall be available to the holder of such Series A Preferred Stock, this Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to these Articles.

j. **Notices.** Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of this Corporation.

5. **Voting Rights.** Except as otherwise required by law, the holder of each share of Series A Preferred Stock shall have the right to one vote for each share of Common Stock into which such Series A Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders meeting in accordance with the Bylaws of the Corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Series A Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

6. **Automatic Conversion.** Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price then

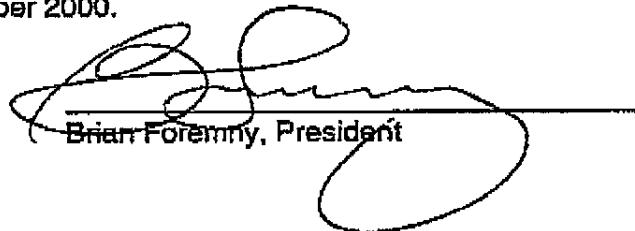
in effect for such share of Series A Preferred Stock upon the earlier of (i) except as provided above in subsection 3(c), immediately prior to the closing of the Corporation's sale of its Common Stock in an underwritten Public Offering under the Securities Act, provided that the offering yields gross proceeds to the Corporation in excess of twenty million dollars (\$20,000,000) and that the offering is effected at a price per share of not less than the Conversion Price then in effect, and (ii) the date specified upon an election to convert all Preferred Stock of the Corporation into Common Stock by the holders of at least 66.7% of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis at a duly held meeting or by written consent or written agreement.

7. **Status of Converted Stock.** In the event any shares of Series A Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by the Corporation. The Articles of Incorporation of the Corporation shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock."

**SECOND:** The date of the amendment's adoption: December 8, 2000.

**THIRD:** The amendment was approved by a majority of the shareholders on December 8, 2000. The number of votes cast for the amendment was sufficient for approval.

Signed this 8th day of December 2000.

  
Brian Foremny, President

542325