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TRADEMARKS ONLY

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Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof:

2-5-07

<p>1. Name of conveying party(ies): Predixis Corporation</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Exists Under Laws of Delaware</p> <p>Additional name(s) of conveying party(ies) attached: No</p>	<p>2. Name and address of receiving party(ies): Name: MusicIP Corporation</p> <p>Street Address: 605 E. Huntington Drive, Suite 201; Monrovia, California 91016</p> <p><input type="checkbox"/> Individual(s) citizenship <input type="checkbox"/> Association <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Exists Under Laws of Delaware</p>
<p>3. Name of conveyance:</p> <p><input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input checked="" type="checkbox"/> Change of Name <input type="checkbox"/> Other:</p> <p>Execution Date: May 1, 2006</p>	<p>If assignee is not domiciled in the United States, a domestic representative designation is attached: No</p> <p>(Designation must be a separate document from Assignment). Additional name(s) & address(es) attached? No</p>
<p>4. A. Trademark Application No.(s) 78/854,967; 78/834,810; 78/806,758; 78/804,833; 78/787,475; 78/787,468; 78/749,717</p>	<p>4. B. Trademark Registration No.(s) 2,722,520; 3,059,254; 2,921,004</p> <p>Additional numbers attached? No</p>
<p>5. Please return the recorded document and address all correspondence to:</p> <p>CHRISTIE, PARKER & HALE, LLP P.O. Box 7068 Pasadena, CA 91109-7068 Attention: LeRoy T. Rahn</p>	<p>6. Total number of applications or registrations involved 10</p> <p>7. <input checked="" type="checkbox"/> Total fee enclosed (37 CFR 3.41): \$ 265</p> <p>8. <input checked="" type="checkbox"/> Any deficiency or overpayment of fees should be charged or credited to Deposit Account No. 03-1728, except for payment of issue fees required under 37 CFR § 1.18. Please show our docket number with any credit or charge to our Deposit Account.</p>
<p>10. <input type="checkbox"/> Explanatory letter is enclosed.</p>	
<p>9. Signature:</p> <p>Date: January 30, 2007</p> <p style="text-align: right;">By </p> <p>Name: LeRoy T. Rahn 626/795-9900</p> <p>I hereby certify that this correspondence is being deposited with the U.S. Postal Service as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on: <u>1-30-07</u> (Date of Deposit)</p> <p>Total number of pages including cover sheet, attachments, and document: 19</p>	

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Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "PREDIXIS CORPORATION", CHANGING ITS NAME FROM "PREDIXIS CORPORATION" TO "MUSICIP CORPORATION", FILED IN THIS OFFICE ON THE FIRST DAY OF MAY, A.D. 2006, AT 5:09 O'CLOCK P.M.



3213897 8100
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Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5081006

DATE: 09-29-06

TRADEMARK
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RESTATED CERTIFICATE OF INCORPORATION
OF
PREDIXIS CORPORATION
(a Delaware Corporation)

PREDIXIS CORPORATION, a corporation originally organized under the name and style of SHREWD SOFTWARE INC. by a Certificate of Incorporation filed with the Secretary of State of the State of Delaware on April 27, 2000, hereby certifies as follows:

1. The name of the corporation is PREDIXIS CORPORATION.

2. This Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware, and restates and integrates and/or amends the provisions of the Restated Certificate of Incorporation of this corporation.

3. The text of the Restated Certificate of Incorporation (as heretofore amended or supplemented) is hereby amended and restated to read in its entirety as follows:

FIRST: The name of the corporation is MusicIP Corporation (hereinafter called the "Corporation").

SECOND: The address of the Corporation's registered office in the State of Delaware is 160 Greentree Drive, Suite 101, Dover County of Kent, Delaware 19901. The name of its registered agent at such address is National Registered Agents, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The authorized capital stock of the corporation shall consist of forty two million one hundred ninety thousand fifty-five (42,190,055) shares of capital stock consisting of:

(i) thirty million (30,000,000) shares of common stock, \$0.001 par value per share;

(ii) eight million two hundred thirty-four thousand two hundred (8,234,200) shares of Series A Preferred Stock, \$0.001 par value per share (the "Series A Preferred Shares"); and

(iii) three million nine hundred fifty-five thousand eight hundred fifty-five (3,955,855) shares of Series B Preferred Stock, \$0.001 par value per share (the "Series B Preferred Shares" and together with the Series A Preferred Stock, the "Preferred Shares").

The rights, preferences, privileges, restrictions and other matters relating to the Preferred Stock are as set forth in Annex A hereto, which is incorporated herein by this reference.

FIFTH: The directors shall have the power to adopt, amend or repeal the Bylaws of this Corporation, except as may otherwise be provided in the Bylaws.

SIXTH: The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, as the same may be amended or supplemented.

SEVENTH: The Corporation reserves the right to amend or repeal any provisions contained in this Restated Certificate of Incorporation from time to time and at any time in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred upon stockholders and directors are granted subject to such reservation.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be signed by its Chairman as of this 1st day of May, 2006.

/s/ Richard Segal

Name: Richard Segal

Title: Chairman

SHARE PROVISIONS

Section 1 Liquidation Rights.

- (1) Liquidated Payments. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), the holders of each Preferred Share shall be entitled preferentially to be paid first out of the assets of the Corporation available for distribution to holders of the Corporation's capital stock of all classes an amount equal to (i) US\$0.3688 per Series A Preferred Share, together with all dividends declared thereon and unpaid (the "Series A Minimum Purchase Price") and (ii) US\$0.5071 per Series B Preferred Share, together with all dividends declared thereon and unpaid (the "Series B Minimum Purchase Price").

If all assets of the Corporation shall be insufficient to permit the payment in full to the holders of Preferred Shares of all amounts so distributable to them, then the entire assets of the Corporation legally available for such distribution shall be distributed ratably among the holders of Preferred Shares in proportion to the full preferential amount each such holder is otherwise entitled to receive.

After such payments shall have been made in full to the holders of the Preferred Shares, or funds necessary for such payments shall have been set aside by the Corporation in trust for the account of holders of Preferred Shares so as to be available for such payments, the remaining assets available for distribution shall be distributed in accordance with the provisions of Section 1(2).

After conversion of Preferred Shares into Common Shares pursuant to Section 2, the holder of such Common Shares shall not be entitled to any preferential payment or distribution in case of any Liquidation Event, but shall share rateably in any distribution of the assets of the Corporation among the holders of Common Shares. Holders of Preferred Shares shall be entitled to convert after receipt of notice of a Liquidation Event up to or simultaneously with the consummation of the Liquidation Event, in which case the Preferred Share Liquidation Payments (as hereinafter defined) shall be paid in full immediately prior to or simultaneously with such conversion.

The amounts payable with respect to Preferred Shares under this Section 1(1) are hereinafter referred to as ("Preferred Share Liquidation Payments").

- (2) Distribution After Payment of Preferred Share Liquidation Preference. After payment has been made to the holders of Preferred Shares, the entire remaining assets and funds of the Corporation legally available for distribution shall be distributed rateably among the holders of the Common Shares and Preferred Shares assuming for such purpose that the Preferred Shares have been converted into Common Shares in accordance with the provisions of these Articles.

- (3) Distribution Other than Cash. Whenever the distributions provided for in this Section 1 shall be payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors of the Corporation.
- (4) Sale of Assets as Liquidation Event, Etc. Each of (i) the sale of all or substantially all of the assets of the Corporation, (ii) any merger, amalgamation or consolidation of the Corporation with or into another entity, (iii) an initial public offering other than Qualified Initial Public Offering (as hereinafter defined) (a "**Non-Qualified Initial Public Offering**"), or any other corporate transaction in which the shareholders of the Corporation do not retain a majority of the voting power in the surviving or successor corporation shall be deemed to be a Liquidation Event for purposes of this Section 1 unless the holders of at least a majority of the then outstanding Preferred Shares elect to the contrary, such election to be made by giving written notice thereof to the Corporation within 15 days after the Corporation provides written notice of such event to the holders of Preferred Shares. If the holders of Preferred Shares so elect and give such notice, the provisions of Section 2(8) shall apply to the Preferred Shares. Unless such election is made, all consideration received by the Corporation in such transaction less all costs and expenses related to such sale and any debt required to be paid as a result of such sale together with all other available assets of the Corporation shall be distributed toward the amounts payable with respect to such Preferred Shares pursuant to Section 1(1).
- (5) Notice. Written notice of any proposed Liquidation Event (including any merger, consolidation, sale of assets or Non-Qualified Initial Public Offering, which may be deemed to be a Liquidation Event under Section 1(4), stating a payment date, the amount of the Preferred Share Liquidation Payments and the place where such Preferred Share Liquidation Payments shall be payable, shall be delivered to the holders of Preferred Shares not less than 15 days prior to the proposed date of such proposed Liquidation Event.

Section 2 Conversion.

The holders of Preferred Shares shall have conversion rights as follows (the "**Conversion Rights**"):

- (1) Optional Conversion. Each Preferred Share shall be convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at any time after the Original Issue Date (as hereinafter defined) and, subject to Section 1(1), prior to the occurrence of a Liquidation Event, at the office of the Corporation or any transfer agent for the Preferred Shares, into such number of fully paid and non-assessable Common Shares as is determined by making the following calculation: In the case of Series A Preferred Shares, each such share shall be converted into that number of fully paid and non-assessable Common Shares determined by multiplying each such share by the ratio determined by dividing US\$0.3688 by the Conversion Price, determined as hereinafter provided, in effect at the time of conversion. In the

case of Series B Preferred Shares, each such share shall be converted into that number of fully paid and non-assessable Common Shares determined by multiplying each such share by the ratio determined by dividing US\$0.5071 by the Conversion Price, determined as hereinafter provided, in effect at the time of conversion. The Conversion Price at which Common Shares will be deliverable upon conversion of Preferred Shares without the payment of any additional consideration by the holder thereof shall initially be, in the case of Series A Preferred Shares, US\$0.3688 per Series A Preferred Share, subject to adjustment as hereinafter provided (the "**Series A Conversion Price**"), and in the case of Series B Preferred Shares, US\$0.5071 per Series B Preferred Share, subject to adjustment as hereinafter provided (the "**Series B Conversion Price**"). The term "**Conversion Price**" is used herein to mean the Series A Conversion Price, in respect of Series A Preferred Shares, and the Series B Conversion Price, in respect of Series B Preferred Shares.

- (2) **Mechanics of Optional Conversions.** Before any holder of Preferred Shares shall be entitled to convert the same into Common Shares, the holder shall surrender the certificate or certificates therefor at the office of the Corporation or of any transfer agent for Preferred Shares, and shall give written notice to the Corporation at such office that the holder elects to convert the same and shall state therein the holder's name or the name or, subject to any legal or contractual restrictions on transfer thereof, names of the holder's nominees in which the holder wishes the certificate or certificates for Common Shares to be issued and such notice shall be accompanied by an agreement in form satisfactory to the Corporation acting reasonably by which the person(s) in whose name the Common Shares are to be issued agrees to be bound by the provisions of any applicable shareholders' agreement of the Corporation if such person is not already a party to such agreements. On the date of conversion, all rights with respect to the Preferred Shares so converted shall terminate, except for any of the rights of the holder thereof, upon surrender of the holder's certificate or certificates therefor, to receive certificates for the number of Common Shares into which such Preferred Shares have been converted. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by the holder's attorney duly authorized in writing. No fractional Common Share shall be issued upon the optional conversion of Preferred Shares. In lieu of any fractional share to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied, in the case of the Series A Preferred Shares, by the Series A Minimum Purchase Price, and in the case of Series B Preferred Shares, by the Series B Minimum Purchase Price. The Corporation shall, as soon as practicable after surrender of the certificate or certificates for conversion, issue and deliver at such office to such holder of Preferred Shares, or, subject to any legal or contractual restrictions on transfer thereof, to the holder's nominee or nominees, a certificate or certificates for the number of Common Shares to which the holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such

surrender of the Preferred Shares to be converted, and the person or persons entitled to receive the Common Shares issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Shares on such date.

- (3) Automatic Conversion. Each Preferred Share shall be converted automatically into a Common Share (subject to adjustment as provided for in Section 2(5) upon the earlier to occur of:
- (a) the closing of an underwritten public offering or offerings pursuant to a receipted prospectus under the *Securities Act* (Ontario), as amended, or similar document filed under other applicable securities laws in Canada or the United States, covering the offer and sale of Common Shares for the account of the Corporation to the public in which (a "**Qualified Initial Public Offering**"):
 - (i) the Common Shares are listed on the Toronto Stock Exchange or such other major stock exchange that is acceptable to J.L. Albright III Venture Fund;
 - (ii) the gross proceeds to the Corporation from such offering or offerings aggregate in excess of US\$25 million; and
 - (iii) the public offering price of which is not less than US\$1.106 per share (calculated before deducting underwriters' commissions and other offering expenses) adjusted to take account of any stock splits, dividends, combination of shares, or the like; or
 - (b) the written election of the holders of not less than two-thirds of the then outstanding Preferred Shares (voting as a single class on an as-converted basis) to require such conversion.
- (4) Mechanics of Automatic Conversions of Preferred Shares. Upon the occurrence of an event specified in 2(3), the Preferred Shares shall be converted automatically without any further action by the holders of the Preferred Shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided, however, that all holders of Preferred Shares being converted shall be given written notice of the occurrence of an event specified in Section 2(3) including the date such event occurred (the "**Automatic Conversion Date**"), and the Corporation shall not be obligated to issue certificates evidencing the Common Shares issuable upon such conversion unless certificates evidencing such Preferred Shares being converted are either delivered to the Corporation or its transfer agent, or the holder notifies the Corporation or any transfer agent that such certificates have been lost, stolen, or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith and, if the Corporation so elects, provides an appropriate indemnity bond and the

holder of the Common Shares enters into an agreement in form satisfactory to the Corporation acting reasonably by which the person in whose name the Common Shares are to be issued agrees to be bound by the provisions of any applicable shareholders' agreement of the Corporation if such person is not already a party. On the Automatic Conversion Date, all rights with respect to the Preferred Shares so converted shall terminate, except for any of the rights of the holder thereof, upon surrender of the holder's certificate or certificates therefor, to receive certificates for the number of Common Shares into which such Preferred Share have been converted. Upon the automatic conversion of the Preferred Shares, the holders of such Preferred Shares shall surrender the certificates representing such shares at the office of the Corporation or of its transfer agent. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by the holder's attorney duly authorized in writing. Upon surrender of such certificates, the Corporation shall promptly issue and deliver to such holder, in such holder's name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of Common Shares into which the Preferred Shares surrendered were convertible on the Automatic Conversion Date. No fractional Common Share shall be issued upon the automatic conversion of Preferred Shares. In lieu of any fractional share to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied, in the case of the Series A Preferred Shares, by the Series A Minimum Purchase Price, and in the case of Series B Preferred Shares, by the Series B Minimum Purchase Price. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the occurrence of any event described in Section 2(3), and the person or persons entitled to receive the Common Shares issuable upon conversion shall be treated for all purposes as the record holder or holders of such Common Shares on such date.

(5) Adjustments to Conversion Price.

(a) Special Definitions. For purposes of this Section 2(5), the following definitions shall apply:

"Additional Common Shares" shall mean all Common Shares issued (or, pursuant to Section 2(5)(b), deemed to be issued) by the Corporation after the Original Issue Date, other than:

- (i) Common Shares of the Corporation issued pursuant to a stock option plan for employees and other persons approved by the Board of Directors of the Corporation and consented to in accordance with any shareholders agreement of the Corporation (a **"Stock Option Plan"**);

- (ii) Common Shares issued as a stock dividend or pursuant to the exercise of conversion privileges, options, warrants or rights previously granted by the Corporation;
- (iii) Common Shares issued in connection with a bona fide business acquisition by the Corporation whether by way of an amalgamation, consolidation, purchase of assets, exchange of shares or otherwise, where such acquisition is approved by the Board of Directors of the Corporation and is consented to in accordance with any shareholders agreement of the Corporation; or
- (iv) Common Shares issuable in connection with leases, bank financings or similar transactions that are primarily of a non-equity financing nature and are approved by the Board of Directors of the Corporation and consented to in accordance with any shareholders agreement of the Corporation, where applicable.

"Convertible Securities" shall mean any evidences of indebtedness, shares of capital stock (other than Common Shares) or other securities directly or indirectly convertible into or exchangeable for Additional Common Shares other than (i) securities previously issued or granted by the Corporation (including without limitation the Series A Preferred Shares) and (ii) the Series B Preferred Shares.

"Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Additional Common Shares or Convertible Securities, other than options issued pursuant to a Stock Option Plan.

"Original Issue Date" shall mean the first date on which a Preferred Share was issued.

(b) **Issue of Securities Deemed to be Issue of Additional Common Shares.**

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

business on such record date, provided that in any such case in which Additional Common Shares are deemed to be issued:

- (A) no further adjustment of the Conversion Price shall be made upon the subsequent issue of Convertible Securities or Common Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities;
- (B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the Consideration (as defined in Section 2(5)(c)) payable to the Corporation, or decrease in the number of Common Shares issuable, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;
- (C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if:
 - (I) in the case of the Convertible Securities or Options for Common Shares, the only Additional Common Shares issued were the Common Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the Consideration received therefor was the Consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the Consideration actually received by the Corporation upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional Consideration, if any, actually received by the Corporation upon such conversion or exchange; and
 - (II) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon

the exercise thereof were issued at the time of issue of such Options, and the Consideration received by the Corporation for the Additional Common Shares deemed to have been then issued was the Consideration actually received by the Corporation for the issue of all such Options, whether or not exercised, plus the Consideration deemed to have been received by the Corporation upon the issue of the Convertible Securities with respect to which such Options were actually exercised;

- (D) no readjustment pursuant to Clauses (B) or (C) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price on the original adjustment date; or (ii) the Conversion Price that would have resulted from any issue of Additional Common Shares between the original adjustment date and such readjustment date;
- (E) in the case of any Options which expire by their terms not more than 30 days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the same manner provided in Clause (C) above; and
- (F) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be cancelled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Section 2(5)(b) as of the actual date of their issue.

(ii) Stock Dividends, Stock Distribution and Subdivisions. In the event the Corporation at any time or from time to time after the Original Issue Date shall declare or pay any dividend or make any other distribution on the Common Shares payable in Common Shares or effect a subdivision of the outstanding Common Shares (by reclassification or otherwise other than by payment of a dividend in Common Shares), then and in any such event, Additional Common Shares shall be deemed to have been issued:

- (A) in the case of any such dividend or distribution, immediately after the close of business on the record date for the

determination of holders of any class of securities entitled to receive such dividend or distribution; or

- (B) in the case of any such subdivision, at the close of business on the date immediately prior to the date upon which such corporate action becomes effective.

If such record date shall have been fixed and no part of such dividend shall have been paid on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be cancelled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Section 2(5)(b) as of the time of actual payment of such dividend.

- (c) Adjustment of the Conversion Price Upon Issue of Additional Common Shares. In the event that at any time or from time to time after the Original Issue Date, the Corporation shall issue Additional Common Shares (including, without limitation, Additional Common Shares deemed to be issued pursuant to Section 2(5)(b)(i) but excluding Additional Common Shares deemed to be issued pursuant to Section 2(5)(b)(ii), which event is dealt with in Section 2(5)(e)(i)), without consideration or for a Consideration Per Share less than the Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to a price determined by multiplying the Conversion Price then in effect by a fraction, the numerator of which shall be (x) the number of Common Shares outstanding immediately prior to such issue or deemed issue plus the number of Common Shares which the aggregate consideration received by the Corporation for the total number of Additional Common Shares so issued would purchase at the Conversion Price then in effect immediately prior to such issue and the denominator of which shall be (y) the number of Common Shares outstanding immediately prior to such issue or deemed issue plus the number of Additional Common Shares so issued. For the purpose of the above calculation, the number of Common Shares outstanding immediately prior to such issue shall be calculated on a fully diluted basis, as if all Preferred Shares and Convertible Securities had been fully converted and any outstanding Options had been fully exercised.

- (d) Determination of Consideration. For purposes of this 2(5), the consideration (the "Consideration") received or receivable by the Corporation for the issue of any Additional Common Shares shall be computed as follows:

- (i) Cash and Property. Such Consideration shall:

- (A) insofar as it consists of cash, be computed at the aggregate amounts of cash received or receivable by the Corporation excluding amounts paid or payable for accrued interest or accrued dividends;
 - (B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and
 - (C) in the event Additional Common Shares are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received or receivable, computed as provided in Section 2(5)(d)(ii)(A) and Section 2(5)(d)(i)(B) above, allocable to such Additional Common Shares as determined in good faith by the Board of Directors.
- (ii) Additional Common Shares other than Options and Convertible Securities. The Consideration per share (the "**Consideration Per Share**") for the issue of any Additional Common Shares other than Options and Convertible Securities shall be the Consideration for the issue of any Additional Common Shares other than Options or Convertible Securities, divided by the total number of such Additional Common Shares issued by the Corporation in exchange therefor.
- (iii) Options and Convertible Securities. The Consideration per share (also the "**Consideration Per Share**", as the context requires) for Additional Common Shares deemed to have been issued pursuant to Section 2(5)(b)(i), relating to Options and Convertible Securities, shall be computed by dividing (x) the Consideration for the issue of such Options or Convertible Securities, plus the aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such Consideration), payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by (y) the number of Common Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(e) Adjustment of the Conversion Price for Dividends, Distributions, Subdivisions, Combinations or Consolidations of Common Shares.

- (i) Stock Dividends, Distributions or Subdivisions. In the event the Corporation shall be deemed to have issued Additional Common Shares pursuant to Section 2(5)(b)(ii) in a stock dividend, stock distribution or subdivision, the Conversion Price in effect immediately before such deemed issue shall, concurrently with the effectiveness of such deemed issue, be proportionately decreased.
- (ii) Combinations or Consolidations. In the event the outstanding shares of Common Shares shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Shares, the Conversion Price in effect immediately prior to such combination or consolidation shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(6) Adjustments for Certain Dividends and Distributions. In the event that at any time or from time to time after the Original Issue Date the Corporation shall make or issue, or fix a record date for the determination of holders of Common Shares entitled to receive, a dividend or other distribution or a stock dividend payable in Common Shares which event is dealt with in Section 2(5)(e)(i), then and in each such event provision shall be made so that the holders of Preferred Shares shall receive upon conversion thereof, in addition to the number of Common Shares receivable thereupon, the amount of the dividend of the Corporation that they would have received had their Preferred Shares been converted into Common Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the Conversion Date, retained such securities receivable by them as aforesaid during such period, giving application during such period to all adjustments called for herein.

(7) Adjustment for Reclassification, Exchange or Substitution. In the event that at any time or from time to time after the Original Issue Date, the Common Shares issuable upon the conversion of Preferred Shares shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise other than a merger, consolidation, or sale of assets provided for in Section 2(8) below, then and in each such event the holder of any Preferred Shares shall have the right thereafter to convert such shares into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification, or other change, by the holder of a number of Common Shares equal to the number of Common Shares into which such Preferred Shares might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustment as provided herein.

- (8) Adjustment for Merger, Consolidation or Sale of Assets. In the event that at any time or from time to time after the Original Issue Date, the Corporation shall sell all or substantially all of its assets or merge, amalgamate or consolidate with or into another entity, each Preferred Share as to which such is not treated as a Liquidation Event under Section 1(3) shall thereafter be convertible into the kind and amount of shares of stock or other securities or property to which a holder of the number of Common Shares of the Corporation deliverable upon conversion of such Preferred Shares would have been entitled to receive upon such consolidation, amalgamation, merger or sale; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions set forth in this Section 2 with respect to the rights and interest thereafter of the holders of Preferred Shares, to the end that the provisions set forth in this Section 2 shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon the conversion of Preferred Shares.
- (9) No Impairment. The Corporation shall not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, amalgamation, merger, dissolution, issue or sale of securities or any other voluntary action, including, without limitation, voluntary bankruptcy proceedings, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but shall at all times in good faith assist in the carrying out of all the provisions of this Section 2 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 Preferred Shares under this Section 2 against impairment.
- (10) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 2, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each affected holder of Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any affected holder of Preferred Shares, furnish or cause to be furnished to such holder a like certificate setting forth:
- (a) such adjustments and readjustments; and
 - (b) the number of Common Shares and the amount, if any, of other property which at the time would be received upon the conversion of each Preferred Share.
- (11) Notices of Record Date. In the event of any taking by the 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 which is the same as cash dividends paid in previous quarters) or other distribution, the Corporation shall deliver to each holder of Preferred Shares at

least twenty days prior to such record date a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

- (12) Common Shares Reserved. The Corporation shall reserve and keep available out of its authorized but unissued Common Shares such number of Common Shares as shall from time to time be sufficient to effect conversion of the Preferred Shares.
- (13) Certain Taxes. The Corporation shall pay any issue or transfer taxes payable in connection with the conversion of Preferred Shares, provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer to a name other than that of the holder of the Preferred Shares.
- (14) Closing of Books. The Corporation shall at no time close its transfer books against the transfer of any Preferred Shares of any Common Shares issued or issuable upon the conversion of any Preferred Shares in any manner which interferes with the timely conversion or transfer of such Preferred Shares or Common Shares.

Section 3 Voting Rights.

- (1) General. The holders of Preferred Shares shall be entitled to notice of any meeting of shareholders and, except as required by any shareholders agreement of the Corporation or as otherwise required by law, shall vote together with the holders of Common Shares as a single class upon any matter submitted to the shareholders for a vote, on the following basis:
 - (a) holders of Common Shares shall have one vote per share; and
 - (b) holders of Preferred Shares shall have that number of votes per share as is equal to the number of Common Shares (including fractions of a share) into which each such Preferred Share held by such holder could be converted on the date for determination of shareholders entitled to vote at the meeting or on the date of any written consent.
- (2) Special Majority Consent. In addition to the terms of the Unanimous Shareholders' Agreement of the Corporation dated as of May 2, 2005, as may be amended from time to time, consent of the holders of not less than two-thirds of the Preferred Shares (voting as a single class on an as-converted basis) shall be required for the following events:
 - (i) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Preferred Shares;
 - (ii) any action authorizing, creating or issuing shares of any class of stock having preferences superior to or on a parity with the Preferred Shares;

- (iii) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets senior to or on a parity with the preference of the Preferred Shares;
- (iv) any amendment of the Corporation's Articles of Incorporation that adversely affects the rights of the Preferred Shares; or
- (v) the declaration of any dividends on any of stock of the Corporation.

Section 4 Dividends.

The holders of outstanding Preferred Shares shall be entitled, in preference to any other class of stock, to receive when and as declared by the Board of Directors of the Corporation and out of the funds legally available therefor dividends from the Corporation declared and paid on the Common Shares on an as-if converted basis to the same extent as the holders of Common Shares.