

A. SERIES A PREFERRED STOCK.

1. Designation. A total of twenty million (20,000,000) shares of the Corporation's preferred stock shall be designated as the Series A Convertible Preferred Stock (the "Series A Preferred Stock"), par value \$.000001 per share. The privileges, preferences, and rights of the Series A Preferred Stock shall be as follows.

2. Voting Rights. Each share of Series A Preferred Stock shall be entitled to One (1) vote on all matters for which the shareholders of the Corporation have the right to vote. The holders of shares of Series A Preferred Stock and holders of Common Stock shall vote together as a single class on all matters.

3. Dividends. Dividends, if and when declared and paid, shall be declared and set aside for any shares of the Series A Preferred Stock in the same manner as for the Common Stock.

4. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, the holders of the Series A Preferred Stock shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders in the same manner as, and without preference over, the holders of Common Stock or any other class of Preferred Stock issued and outstanding.

5. Conversion Rights. Each share of Series A Preferred Stock shall be convertible, at the option of the holder, without the payment of any additional consideration, into of shares of Common Stock based on a conversion price (the "Conversion Price") equal to the 10-day average closing bid price of the Common Stock as quoted in the over-the-counter market immediately preceding the date of conversion. For purposes of conversion by the holder only, the value of Series A Preferred Stock shall be deemed to be \$1.00 per share; provided, however, that each share of Series A Preferred Stock shall be converted automatically, without any further action by the holders of such shares, upon surrender of shares of the Series A Preferred Stock to the Corporation at its principal office, into the number of shares of Common Stock into which such Series A Preferred Stock is convertible hereunder upon the earlier of (a) immediately prior to the closing of a firmly underwritten, public offering by the Corporation of its Common Stock, registered under the Securities Act of 1933, as amended; or (b) upon a merger or acquisition of the Corporation. However, unless approved by the Board of Directors of the Corporation, the Series A Preferred Stock is not convertible unto common stock until after March 15, 2009.

6. Conversion Procedures.

(a) To exercise the conversion privilege, each holder of Series A Preferred Stock shall surrender the certificate or certificates representing shares being converted to the Corporation at its principal office, and shall give written notice to the Corporation at that

office that such holder elects to convert such shares. The 10 day period set forth in Section 5 above shall be deemed to be calculated beginning on the date the notice and the certificate are both actually received by the Corporation if such date is a business day, and if not, the notice and the certificate will be deemed to be received on the next business day. Such notice shall also state the name or names, with address or addresses, in which the certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Series A Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Corporation or in the blank. The date when such written notice is received by the Corporation, together with the certificate or certificates representing the shares of Series A Preferred Stock being converted, shall be the "Series A Conversion Date."

(b) As promptly as practicable after the Series A Conversion Date, the Corporation shall issue and shall deliver to the holder of the shares of Series A Preferred Stock being converted, or on its written order, such certificate or certificates as it may request for the number of whole shares of Common Stock (rounding up any fractional share to the next whole number of shares) issuable upon the conversion of such shares of Series A Preferred Stock and cash in the amount of all declared and unpaid dividends on such shares of Series A Preferred Stock up to and including the Series A Conversion Date. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Series A Conversion Date, and at such time the rights of the holder as holder of the converted shares of Series A Preferred Stock shall cease and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby. The determination as to the number of shares of Common Stock to be issued shall be based upon the total number of shares of Series A Preferred Stock being converted at any one time by an holder thereof, not upon each share of Series A Preferred Stock being converted. In the event some but not all of the shares of Series A Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the Corporation shall execute and deliver to or on the order of the holder, at the expense of the Corporation, a new certificate representing the shares of Series A Preferred Stock that were not converted.

7. Adjustments to Conversion. In the event the Corporation shall issue any additional shares of Preferred Stock without consideration or for a consideration per share less than value of the Common Stock to be issued upon conversion of the Series A Preferred Stock, other than Common Stock issued or issuable to employees, officers or directors of the Corporation directly, or pursuant to Corporation benefit or compensation plans, to the extent such issuances are approved by the board of directors of the Corporation, the number of shares of Common Stock into which the Series A Preferred Stock can be converted will be adjusted proportionally.

8. Redemption. Beginning May 15, 2009, and on any business day thereafter, the Corporation shall have the right to call for redemption of all or any part of the Series A

Preferred Stock from any source of funds legally available therefore. The Corporation shall effect such redemption by paying in cash or its securities in exchange for the shares of Series A Preferred Stock to be redeemed the sum of \$.01 per share of Series A Preferred Stock, as adjusted for any stock dividends, combinations or splits with regard to such shares, plus any accumulated but unpaid dividends (the "Series A Redemption Price"). At least 30 days not more than 60 days prior to the date of redemption (the "Redemption Date"), written notice (the "Redemption Notice") shall be mailed, first class postage prepaid, to each holder of record, at the close of business on the business day next preceding the day on which the notice is given, of the Series A Preferred Stock to be redeemed, at the address shown on the records of the Corporation for such holder. The Redemption Notice shall notify each holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date and Redemption Price, the place at which payment may be obtained and calling upon each holder to surrender to the Corporation, in the manner and at the place designated, such holder's certificates representing the shares to be redeemed. Each holder of Series A Preferred Stock to be redeemed shall surrender to the Corporation the certificates representing such shares in the manner and at the place designated in the Redemption Notice. Beginning on the Redemption Date, whether or not a certificate evidencing shares of Series A Preferred Stock is actually received by the Company or not, the holders of Series A Preferred Stock shall cease to enjoy any of the rights, privileges or preferences of the Series A Preferred Stock, but shall have only a right to receive the Redemption Price upon surrender of the certificate or certificates representing the shares of Series A Preferred Stock. The Redemption Price shall be payable to the order of the person whose name appears on such certificates as the owner thereof. Each such surrendered certificate shall be canceled. No share or shares of Series A Preferred Stock redeemed or otherwise acquired by the Corporation shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.