

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

Vincera, Inc.

CIK: **1303604** | IRS No.: **742912383** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
January 25, 2006

Vincera, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-51522
(Commission File Number)

74-2912383
(I.R.S. Employer
Identification No.)

611 South Congress Avenue, Suite 350
Austin, TX 78704
(Address of principal executive offices)

512-443-8749
(Registrant's telephone number)

Not Applicable
(Former name or former address if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On January 25, 2006, Vincera, Inc. (the "Company") and Monterey & Great Pacific Corporation (the Company's existing landlord) executed an Additional Space Modification to Lease Contract and Extension of Primary Lease Agreement, which provides for extension of the Company's current lease along with the acquisition of additional adjacent space. The extension of the lease term is to January 31, 2008. The new lease rate is \$7,525 per month, all inclusive. Additional terms in the extension call for a right of first refusal for contiguous space and a right to extend the lease for two years at the same costs upon the termination of the current extension period. Except as set forth in the extension agreement, the Company's current lease remains in full force and effect. There are no material relationships between the Company and Monterey & Great Pacific Corporation, other than the current lease and the extension agreement.

The foregoing summary of the extension agreement is qualified in its entirety by reference to the copy of the extension agreement, which is filed as an exhibit to this Form 8-K.

Item 3.02 Unregistered Sales of Equity Securities

On January 26, 2006, the Company had an interim close of the private placement of 1,742,119 shares of its Common Stock to 17 accredited investors for a cash price of \$0.36 per share. Each investor also received a five year Common Stock Purchase Warrant for twenty-five percent (25%) of their investment at an exercise price of \$0.50 per share, which warrants are only exercisable if the Company does not have an effective registration statement on or before 120 days from the date of the final close of the offering. The aggregate proceeds of the offering were \$627,162. The placement agent received a fee of approximately \$43,901.00, 17,421 shares of common stock, plus a warrant to purchase 121,948 shares of common stock at an exercise price of \$0.36 per share, and a warrant to purchase 69,685 shares of common stock at an exercise price of \$0.594 per share. These warrants are exercisable for a period of eighteen months from the date of the final close of the offering.

In addition, the Company issued 5,367,225 shares of Common Stock in exchange for the cancellation of indebtedness outstanding pursuant to Subordinated Promissory Notes, at the conversion price of \$0.36 per share to 34 holders of the notes. In conjunction with the cancellation of the notes, the Company issued warrants for 2,710,492 shares of Common Stock at an exercise price of \$0.50 per share to the holders of the Subordinated Promissory Notes that canceled the indebtedness and converted to Common Stock. These warrants are exercisable for a period of eighteen months from the date of the final close of the offering. The Company did not receive any cash proceeds from the conversion of the notes. The placement agent will receive a fee of approximately \$134,904.54, 53,673 shares of common stock, plus a warrant to purchase 375,706 shares of common stock at an exercise price of \$0.36 per share, plus a warrant to purchase 214,689 shares of common stock at an exercise price of \$0.594 per share. These warrants are exercisable for a period of eighteen months from the date of the final close of the offering.

The Company also converted the indebtedness of 21 holders under Convertible Promissory Notes into 2,769,655 shares of Common Stock at a conversion price of \$0.36 per share. The Company did not receive any cash proceeds from the conversion of the notes and there were no commissions or compensation paid to the placement agent or any other entity.

Such issuances were made pursuant to a private placement to a limited number of accredited investors and was exempt from registration under Rule 506 under Section 4(2) of the Securities Act of 1933.

The forms of Securities Purchase Agreements and Warrants executed with the investors are attached as exhibits hereto. The foregoing summaries of the agreements are qualified in their entirety by reference to the copies of the agreements filed as exhibits to this Form 8-K and the Placement Agreement filed previously with our Form 10-SB on September 12, 2005.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.41	Additional Space Modification to Lease Contract and Extension of Primary Lease Agreement, dated January 25, 2006, between the Company and Monterey & Great Pacific Corporation
10.42	Form of Securities Purchase Agreement (New Investors and Subordinated Promissory Note Conversions)
10.43	Form of Warrant for New Investors
10.44	Form of Warrant for Subordinated Promissory Note Conversions

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VINCERA, INC.

By: /s/ David R. Malmstedt
David R. Malmstedt, President
and Chief Executive Officer
Date: January 30, 2006

ADDITIONAL SPACE MODIFICATION TO LEASE CONTRACT AND EXTENSION OF PRIMARY LEASE AGREEMENT

This additional space modification and extension agreement made hereto by and between MONTEREY & GREAT PACIFIC CORPORATION hereinafter called Lessor, and Vincera, Inc., formerly know as Smarte Solutions, Inc. and MoveMoney.com, Inc., hereinafter called Lessee.

WITNESSETH:

Whereas, Lessor and Lessee heretofore entered into and Lease RENEWAL Contract, dated July 1, 2000, covering approximately 3,320 square feet of rentable space on the third floor of the Congress Square II office building, Austin, Travis County, Texas.

Whereas, Lessor and Lessee heretofore agreed to extend that lease agreement until June 30, 2006, and now agree to extend further that renewal agreement until January 31, 2008. The additional nineteen months added to the renewal term includes increasing the space by approximately 2322 rentable square feet in the adjacent space currently known as suite #300 of the Congress Square II office building, Austin, Travis County, Texas.

I

This extension and expansion of the current leased space will constitute a total of approximately 5642 rentable square feet at a new rate of \$7525.00 per month beginning February 1, 2006 and continuing thereafter until January 31, 2008.

II

Lessor will modify the new space to create a direct access from the existing suite #350 and close off the current hallway to incorporate the space as defined by the attached exhibit "A". Further interior improvements will be completed as per agreement between Lessor and Lessee. Lessor will provide for a first right of refusal on any adjacent space as it becomes available. Lessee will have 20 days to accept any adjacent space. Lessee shall be offered the right to renew the lease for an additional two years at the same rate and terms.

III

Except as modified by this Addition of the Lease Contract, the Original Lease and all Renewals remain unchanged and continues unabated in full force and effect.

Executed in multiple counterparts, each of which shall have the force and effect of an original as of this 25 day of January, 2006

LESSOR

MONTEREY & GREAT PACIFIC
CORPORATION

By: /s/ William R. Dawson

William R. Dawson

LESSEE

Vincera, Inc.

By: /s/ David R. Malmstedt

David R. Malmstedt

VINCERA, INC.

SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (this “Agreement”) is dated as of _____, 2005 and is by and among VINCERA, INC., a Delaware corporation, with its principal office at 611 S. Congress Avenue, Suite 350, Austin, TX 78704 (the “Company”), and each investor listed on Schedule 1 hereto (each such investor individually, a “Purchaser” and, collectively, the “Purchasers”).

WHEREAS, the Company desires to issue and sell to the Purchasers, and the Purchasers desire to purchase from the Company, authorized but unissued shares of common stock, \$0.001 par value per share, of the Company (including any securities into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event the “Common Stock”), at an aggregate purchase price of up to \$10,225,000 in addition to the issuance of up to approximately 8,492,167 shares of Common Stock upon conversion of the Bridge Notes (as defined below) and the Short Term Notes (as defined below), all upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, simultaneously with entering into this Agreement, the Company and the Purchasers are entering into that certain Registration Rights Agreement, dated as of the date hereof (the “Registration Rights Agreement”) attached as Exhibit A hereto, pursuant to which the Company shall register for resale the Shares and the Warrant Shares (as defined below) on the terms set forth therein;

NOW THEREFORE, in consideration of the mutual agreements, representations, warranties and covenants herein contained, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

(a) “Affiliate” means any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a Person, as such terms are used and construed under Rule 144 (as defined below).

(b) “Board” means the board of directors of the Company.

(c) “Closing Date” means the date hereof.

(d) “Effective Date” means the date that the registration statement required to be filed by the Company under the Securities Act pursuant to the terms of the Registration Rights Agreement becomes effective.

(e) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and all of the rules and regulations promulgated thereunder.

(f) “Fully Diluted Common Stock” means the outstanding Common Stock and the shares of Common Stock issued or issuable upon exercise of Warrants (assuming full exercise).

(g) “Majority Purchasers” has the meaning set forth in Section 8.8.

(h) “Material Adverse Effect” means any event, occurrence or development that has had, or that could reasonably be expected to have, individually or in the aggregate with other events, occurrences or developments, a material adverse effect on the assets, liabilities (contingent or otherwise), business, affairs, operations, prospects or condition (financial or otherwise) of the Company.

(i) “Person” (whether or not capitalized) means an individual, entity, partnership, limited liability company, corporation, association, trust, joint venture, unincorporated organization, and any government, governmental department or agency or political subdivision thereof.

(j) “Rule 144” means Rule 144 promulgated under the Securities Act and any successor or substitute rule, law or provision.

(k) “SEC” means the Securities and Exchange Commission.

(l) “Securities Act” means the Securities Act of 1933, as amended, and all of the rules and regulations promulgated thereunder.

(m) “Shares” means the shares of Common Stock issued and sold by the Company to the Purchasers hereunder.

(n) “Share Price” means \$0.36 per Share.

(o) “Transaction Documents” means, collectively, the Registration Rights Agreement and the Warrants.

(q) “Warrants” means the warrants to purchase Common Stock, dated as of the date hereof, issued by the Company to the Purchasers, in substantially the form attached hereto as Exhibit B.

(r) “Warrant Shares” means the shares of Common Stock issued or issuable upon the exercise of the Warrants.

2. Purchase and Sale of Shares and Warrants.

2.1 Purchase and Sale of Shares. Subject to and upon the terms and conditions set forth in this Agreement, the Company agrees to issue and sell to each Purchaser, and each Purchaser hereby agrees, severally and not jointly, to purchase from the Company, at the Closing, the number of Shares set forth opposite such Purchaser’s name on Schedule 1 hereto, at the Share Price, payable in cash or by cancellation of indebtedness.

2.2 Issuance of Warrants. Subject to and upon the terms and conditions set forth in this Agreement, the Company agrees to issue to each Purchaser, other than those Purchasers who are purchasing Shares by cancellation of indebtedness, at the Closing a Warrant to purchase the number of Warrant Shares equal to twenty-five percent (25%) of the number of Shares purchased by such Purchaser at Closing at an exercise price equal to the Share Price, which shall be appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like which occur after the Closing Date.

2.3 Initial Closing. The initial closing of the sale of not less than 2,777,778 Shares in accordance with this Agreement (the “Initial Closing”) shall take place at the offices of Vincera, Inc. at 611 South Congress Ave., Suite 350, Austin Texas 78704, on the Closing Date, or on such other date and at such time as may be agreed upon between the Purchasers, on the one hand, and the Company, on the other hand. At the Closing, the Company shall deliver to each Purchaser (i) a single stock certificate (or more, if reasonably requested by the Purchaser), registered in the name of such Purchaser, representing the number of Shares purchased by such Purchaser and (ii) a Warrant as provided in Section 2.2 hereof, against payment of the purchase price by wire transfer of immediately available funds to such account as the Company shall designate in writing.

2.4 Subsequent Closings. The Company may sell, in one or more subsequent closings (each, a “Subsequent Closing”) on or before November 15, 2005, unless extended upon agreement between the Company and the Placement Agent, an additional number (which number of Shares shall not exceed, when combined with the Shares sold at the Initial Closing, 28,402,777 Shares in the aggregate) of authorized but unissued shares of Common Stock to subsequent purchasers (each, a “Subsequent Purchaser”) as the Board of Directors of the Company may approve at the same price per Share as the Shares purchased and sold at the Initial Closing (each, a “Subsequent Closing” and, together with the Initial Closing, a “Closing”). Any such sales and purchase shall be made upon the same terms and conditions as those contained herein. As a condition to the Closings hereunder, the Company, each Purchaser and, upon the execution of an appropriate counterpart signature page, the form of which shall be provided to each such Subsequent Purchaser, each Subsequent Purchaser shall enter into the Registration Rights Agreement and shall have the rights and obligations thereunder. Following each Subsequent Closing, any Subsequent Purchaser purchasing Shares hereunder shall be deemed to be a Purchaser hereunder and the name of such Purchaser and the number of Shares purchased by such Purchaser shall be included on the Schedule of Purchasers attached as Schedule 1 hereto.

2.5 Bridge Note Warrants/Short Term Note Warrants. Subject to and upon the terms and conditions set forth in this Agreement, the Company agrees to issue to those Purchasers who are purchasing Shares by cancellation of indebtedness, at the Closing a Warrant to purchase the number of Warrant Shares as determined; (i) by taking fifty percent (50%) of the principal and interest amount of that certain Subordinated Promissory Note (the “Bridge Note”), issued to such Purchaser divided by the Share Price, or (ii) by taking twenty-five percent (25%) of the principal and interest amount of that certain short term Promissory Note (the “Short Term Note”) issued to such Purchaser divided by the Share Price, as applicable, each of which shall be appropriately adjusted for any recapitalizations, stock combinations, stock dividends, stock splits and the like which occur after the Closing Date. The exercise price of the Warrant shall be \$0.50 and the Company and Purchaser shall execute a mutually agreeable Common Stock Purchase

Warrant at the Closing which provides, among other things that the Warrant shall terminate and no longer be exercisable eighteen (18) months from the final Closing hereunder.

3. Representations and Warranties of the Company. The Company hereby represents and warrants to each Purchaser, as of the date hereof and except as set forth on the Registration Statement on Form 10-SB as amended from time to time furnished by the Company to each Purchaser (the "Registration Statement"), as follows:

3.1 Incorporation. Each of the Company and the Subsidiaries (as defined in Section 3.16 below) is a corporation or other entity duly organized, validly existing and in good standing under the laws of the State of Delaware (or such other applicable jurisdiction of incorporation or formation as is indicated on the Registration Statement), and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or the character of the property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not result in a Material Adverse Effect. Each of the Company and the Subsidiaries has all requisite corporate power and authority to carry on its business as now conducted and to carry out the transactions contemplated hereby. Neither the Company nor any of the Subsidiaries is in violation of any of the provisions of its Certificate of Incorporation (or other charter document) or By-laws.

3.2 Capitalization. The authorized capital stock of the Company consists of (i) 70,000,000 shares of Common Stock with a plan to increase the authorized capital stock of the Company to 100,000,000 shares of Common Stock upon filing of a Certificate of Amendment with Delaware, of which 24,102,197 shares were outstanding as of the date hereof, and (ii) 30,000,000 shares of preferred stock, of which 9,923,062 shares are outstanding as of the date hereof. All shares of the Company's issued and outstanding capital stock have been duly authorized, are validly issued and outstanding, and are fully paid and nonassessable. Except as set forth in the Registration Statement, there are no existing options, warrants, calls, preemptive (or similar) rights, subscriptions or other rights, agreements, arrangements or commitments of any character obligating the Company to issue, transfer or sell, or cause to be issued, transferred or sold, any shares of the capital stock of the Company or other equity interests in the Company or any securities convertible into or exchangeable for such shares of capital stock or other equity interests, including the Shares, the Warrants and the Warrant Shares, and there are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any shares of its capital stock or other equity interests. Except as set forth in the Registration Statement with respect to the Company's Series A preferred stock the issue and sale of the Shares, the Warrants and the Warrant Shares will not obligate the Company to issue or sell, pursuant to any pre-emptive right or otherwise, shares of Common Stock or other securities to any Person (other than the Purchasers) and except as set forth in the Registration Statement with respect to the Company's Series A preferred stock, will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under such securities.

3.3 Registration Rights. Except as set forth on Registration Statement, the Company, to the best of its knowledge, has not granted or agreed to grant to any Person any right

(including “piggy-back” and demand registration rights) to have any capital stock or other securities of the Company registered with the SEC or any other government authority.

3.4 Authorization. All corporate action on the part of the Company, its officers and directors necessary for the authorization, execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated herein and therein has been taken or will be taken. When executed and delivered by the Company, each of this Agreement and the Transaction Documents shall constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and by general equitable principles. The Company has all requisite corporate power and authority to enter into this Agreement and the Transaction Documents and to carry out and perform its obligations under their respective terms.

3.5 Valid Issuance of the Shares. The Shares, the Warrants and the Warrant Shares have been or will be duly authorized, and the Shares and the Warrant Shares, upon issuance pursuant to the terms hereof and the terms of the Warrants, respectively, will be validly issued, fully paid and nonassessable and not subject to any encumbrances, preemptive rights or any other similar contractual rights of the stockholders of the Company or any other Person. The Company has reserved or will reserve from its duly authorized capital stock the number of shares of Common Stock issuable upon execution of this Agreement and upon exercise in full of the Warrants (assuming the Warrants vest in full).

3.6 SEC Documents. The Company has furnished to the Purchasers true and complete copies of the Registration Statement as filed with the SEC on September 12, 2005. As of its filing date, to the best of the Company's knowledge, the Registration Statement complied in all material respects with the requirements of the Exchange Act, and the rules and regulations promulgated thereunder, and the Registration Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. To the best of the Company's knowledge, the financial statements (the “Financial Statements”) of the Company included in the Registration Statement (i) comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto in effect at the time of filing, (ii) have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods covered thereby, and (iii) present fairly, in all material respects, the financial position of the Company and the Subsidiaries and the results of operations and cash flows as of the date and for the periods indicated therein. To the best of the Company's knowledge, all material agreements to which the Company is a party or to which the property or assets of the Company are subject are included as part of or specifically identified in the Registration Statement to the extent required by the rules and regulations of the SEC as in effect at the time of filing. To the best of the Company's knowledge, when filed with the SEC, the Company covenants that its quarterly report on Form 10-Q for the period ended September 30, 2005 (a) will comply in all material respects with the requirements of the Exchange Act, and the rules and regulations promulgated thereunder, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to

make the statements made therein, in light of the circumstances under which they were made, not misleading, (b) will include financial statements of the Company that will comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto in effect at the time of filing, and (c) will include, to the extent required by the rules and regulations of the SEC as in effect at the time of filing, all material agreements to which the Company is a party or to which the property or assets of the Company are subject.

3.7 Consents. Except for (a) the filing and effectiveness of any registration statement required to be filed by the Company under the Securities Act pursuant to the terms of the Registration Rights Agreement and (b) any required state “blue sky” law filings in connection with the transactions contemplated hereunder or under the Transaction Documents, all consents, approvals, orders and authorizations required on the part of the Company in connection with the execution or delivery of, or the performance of the obligations under, this Agreement and the Transaction Documents, and the consummation of the transactions contemplated herein and therein, have been obtained and will be effective as of the date hereof. The execution and delivery by the Company of this Agreement and the Transaction Documents, the consummation of the transactions contemplated herein and therein, do not require the consent or approval of the stockholders of, or any lender to, the Company.

3.8 No Conflict; Compliance With Laws.

(a) To the best of the Company’s knowledge, the execution, delivery and performance by the Company of this Agreement and the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, including the issuance of the Shares, the Warrants and the Warrant Shares, do not and will not (i) conflict with or violate any provision of the Certificate of Incorporation (or other charter documents) or By-laws of the Company or any of the Subsidiaries, (ii) breach, conflict with or result in any violation of or default (or an event that with notice or lapse of time or both would become a default) under, or give rise to a right of termination, amendment, acceleration or cancellation (with or without notice or lapse of time, or both) of any obligation, contract, commitment, lease, agreement, mortgage, note, bond, indenture or other instrument or obligation to which the Company or any of the Subsidiaries is a party or by which they or any of their properties or assets are bound, except in each case to the extent such breach, conflict, violation, default, termination, amendment, acceleration or cancellation does not, and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (iii) result in a violation of any statute, law, rule, regulation, order, ordinance or restriction applicable to the Company, the Subsidiaries or any of their properties or assets, or any judgment, writ, injunction or decree of any court, judicial or quasi-judicial tribunal applicable to the Company, the Subsidiaries or any of their properties or assets.

(b) To the best of the Company’s knowledge, neither the Company nor any of the Subsidiaries (i) is in violation of any statute, rule or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as does not, and could not, reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.9 Brokers or Finders. Other than the broker fee (the “Broker Fee”) the Company will pay to Fifth Street Capital, LLC (“Fifth Street”) upon the Closing in an amount set forth on the Registration Statement, neither the Company nor any of the Subsidiaries has dealt with any broker or finder in connection with the transactions contemplated by this Agreement or the Transaction Documents, and neither the Company nor any of the Subsidiaries has incurred, or shall incur, directly or indirectly, any liability for any brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or the Transaction Documents, or any transaction contemplated hereby or thereby.

3.10 Absence of Litigation. Except as set forth in the Registration Statement, there are no pending or, to the Company's knowledge, threatened actions, suits, claims, proceedings or investigations against or involving the Company or any of the Subsidiaries.

3.11 No Undisclosed Liabilities; Indebtedness. Except as set forth in the Registration Statement, and to the best of the Company's knowledge, since June 30, 2005, the Company and the Subsidiaries have incurred no liabilities or obligations, whether known or unknown, asserted or unasserted, fixed or contingent, accrued or unaccrued, matured or unmatured, liquidated or unliquidated, or otherwise, except for liabilities or obligations that, individually or in the aggregate, do not or would not have a Material Adverse Effect and other than liabilities and obligations arising in the ordinary course of business.

3.12 Contracts. All contracts, agreements, instruments and other documents required to be filed as exhibits to any of the periodic reports required to be filed by the Exchange Act are legal, valid, binding and in full force and effect and are enforceable by the Company in accordance with their respective terms, except as such may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and by general equitable principles.

3.13 Title to Assets. Each of the Company and the Subsidiaries has good and marketable title to all real and personal property owned by it that is material to the business of the Company or such Subsidiaries, in each case free and clear of all liens and encumbrances, except those, if any, reflected in the Financial Statements or incurred in the ordinary course of business consistent with past practice. Any real property and facilities held under lease by the Company or the Subsidiaries are held by it or them under valid, subsisting and enforceable leases (subject to laws of general application relating to bankruptcy, insolvency, reorganization, or other similar laws affecting creditors' rights generally and other equitable remedies).

3.14 Labor Relations. No labor or employment dispute exists or, to the knowledge of the Company, is imminent or threatened, with respect to any of the employees or consultants of the Company that has, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

3.15 Intellectual Property. To the best of the Company's knowledge, the Company is the sole and exclusive owner of, or has the exclusive right to use, all right, title and interest in and to all material foreign and domestic patents, patent rights, trademarks, service

marks, trade names, brands, copyrights (whether or not registered and, if applicable, including pending applications for registration) and other proprietary rights or information, owned or used by the Company (collectively, the “Rights”), and in and to each material invention, software, trade secret, and technology used by the Company or any of the Subsidiaries (the Rights and such other items, the “Intellectual Property”), and, to the Company's knowledge, the Company owns and has the right to use the same, free and clear of any claim or conflict with the rights of others (subject to the provisions of any applicable license agreement). Except as set forth on the Registration Statement, there have been no written claims made against the Company or any of the Subsidiaries asserting the invalidity, abuse, misuse, or unenforceability of any of the Intellectual Property, and, to the Company's knowledge, there are no reasonable grounds for any such claims.

3.16 Subsidiaries; Joint Ventures. Except for the subsidiaries listed on the Registration Statement (the “Subsidiaries”), the Company has no subsidiaries and (i) does not otherwise own or control, directly or indirectly, any other Person and (ii) does not hold equity interests, directly or indirectly, in any other Person. Except as described in the Registration Statements, the Company is not a participant in any joint venture, partnership, or similar arrangement material to its business.

3.17 Taxes. To the best of the Company's knowledge, the Company and each of the Subsidiaries has filed (or has had filed on its behalf), will timely file or will cause to be timely filed, or has timely filed for an extension of the time to file, all material Tax Returns (as defined below) required by applicable law to be filed by it or them prior to or as of the date hereof, and such Tax Returns are, or will be at the time of filing, true, correct and complete in all material respects. Each of the Company and the Subsidiaries has paid (or has had paid on its behalf) or, where payment is not yet due, has established (or has had established on its behalf and for its sole benefit and recourse) or will establish or cause to be established in accordance with United States generally accepted accounting principles on or before the date hereof an adequate accrual for the payment of, all material Taxes (as defined below) due with respect to any period ending prior to or as of the date hereof. “Taxes” shall mean any and all taxes, charges, fees, levies or other assessments, including income, gross receipts, excise, real or personal property, sales, withholding, social security, retirement, unemployment, occupation, use, goods and services, license, value added, capital, net worth, payroll, profits, franchise, transfer and recording taxes, fees and charges, and any other taxes, assessment or similar charges imposed by the Internal Revenue Service or any taxing authority (whether state, county, local or foreign) (each, a “Taxing Authority”), including any interest, fines, penalties or additional amounts attributable to or imposed upon any such taxes or other assessments. “Tax Return” shall mean any report, return, document, declaration or other information or filing required to be supplied to any Taxing Authority, including information returns, any documents with respect to accompanying payments of estimated Taxes, or with respect to or accompanying requests for extensions of time in which to file any such return, report, document, declaration or other information. There are no claims or assessments pending against the Company or any of the Subsidiaries for any material alleged deficiency in any Tax, and neither the Company nor any of the Subsidiaries has been notified in writing of any material proposed Tax claims or assessments against the Company or any of the Subsidiaries. No Tax Return of the Company or any of the Subsidiaries is or has been the subject of an examination by a Taxing Authority.

3.18 Pensions and Benefits.

(a) To the best of the Company's knowledge, and other than any Company 401k, retirement, health insurance, accidental insurance or other insurance plans, the Registration Statement contains a true and complete list of each "employee benefit plan" within the meaning of Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including, without limitation, multiemployer plans within the meaning of Section 3(37) of ERISA, and all retirement, profit sharing, stock option, stock bonus, stock purchase, severance, fringe benefit, deferred compensation, and other employee benefit programs, plans, or arrangements, whether or not subject to ERISA, under which (i) any current or former directors, officers, employees or consultants of the Company has any present or future right to benefits and which are contributed to, sponsored by or maintained by the Company or any of the Subsidiaries, or (ii) the Company or any of the Subsidiaries has any present or future liability. All such programs, plans, or arrangements shall be collectively referred to as the "Company Plans." Each Company Plan is included as part of or specifically identified in the Registration Statement to the extent required by the rules and regulations of the SEC as in effect at the time of filing.

3.19 Private Placement; Communications with Purchasers. The Company has not sold or offered to sell or solicited any offer to buy the Shares, the Warrants or the Warrant Shares by means of any form of general solicitation or advertising. Neither the Company nor any of its Affiliates nor any person acting on the Company's behalf has, directly or indirectly, at any time within the past six (6) months, made any offer or sale of any security or solicitation of any offer to buy any security under circumstances that would (i) eliminate the availability of the exemption from registration under Regulation D under the Securities Act in connection with the sale or issuance of the Shares, the Warrants or the Warrant Shares as contemplated hereby or (ii) cause the offering or issuance of the Shares, the Warrants or the Warrant Shares pursuant to this Agreement or any of the Transaction Documents to be integrated with prior offerings by the Company for purposes of any applicable law, regulation or stockholder approval provisions. None of the Company or any of the Subsidiaries is, or is an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. None of the Company or any of the Subsidiaries is a United States real property holding corporation within the meaning of the Foreign Investment in Real Property Tax Act of 1980. No consent, license, permit, waiver, approval or authorization of, or designation, declaration, registration or filing with, the SEC or any state securities regulatory authority is required in connection with the offer, sale, issuance or delivery of the Shares, the Warrants or the Warrant Shares other than the possible filing of Form D with the SEC. The Company does not have any agreement or understanding with any Purchaser with respect to the transactions contemplated by this Agreement or the Registration Rights Agreement, other than as specified in this Agreement or the Registration Rights Agreement.

3.20 Material Changes. Except as set forth on the Registration Statement, since June 30, 2005, the Company has conducted its business only in the ordinary course, consistent with past practice, and since such date there has not occurred: (i) any amendments or changes in the charter documents or by-laws of the Company or the Subsidiaries; (iii) any: Registration

Statement(A) issuance or sale of any securities convertible into or exchangeable for securities of the Company other than to directors, employees and consultants pursuant to existing equity compensation or stock purchase plans of the Company; (B) issuance or sale of options or other rights to acquire from the Company or the Subsidiaries, directly or indirectly, securities of the Company or any securities convertible into or exchangeable for any such securities, other than options issued to directors, employees and consultants in the ordinary course of business, consistent with past practice; (C) issuance or sale of any stock, bond or other corporate security other than to directors, employees and consultants pursuant to existing equity compensation or stock purchase plans of the Company; (D) declaration or making of any payment or distribution to stockholders or purchase or redemption of any share of its capital stock or other security other than to or from directors, officers and employees of the Company or the Subsidiaries as compensation for or in connection with services rendered to the Company or the Subsidiaries (as applicable) or for reimbursement of expenses incurred on behalf of the Company or the Subsidiaries (as applicable); (E) sale, assignment or transfer of any of its intangible assets except in the ordinary course of business, consistent with past practice, or cancellation of any debt or claim except in the ordinary course of business, consistent with past practice; (F) waiver of any right of substantial value whether or not in the ordinary course of business; (G) material change in officer compensation, except in the ordinary course of business and consistent with past practice; or (H) other commitment (contingent or otherwise) to do any of the foregoing; (iv) any creation, sufferance or assumption by the Company or any of the Subsidiaries of any lien on any asset or any making of any loan, advance or capital contribution to or investment in any Person, in an aggregate amount which exceeds \$10,000 outstanding at any time; (v) any entry into, amendment of, relinquishment, termination or non-renewal by the Company or the Subsidiaries of any material contract, license, lease, transaction, commitment or other right or obligation, other than in the ordinary course of business, consistent with past practice; or (vi) any transfer or grant of a right with respect to the Intellectual Property Rights owned or licensed by the Company or the Subsidiaries, except as among the Company and the Subsidiaries, other than in the ordinary course of business, consistent with past practice.

3.21 Regulatory Permits. To the best of the Company's knowledge, the Company and the Subsidiaries possess all certificates, approvals, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their businesses as described in the Registration Statement, except where the failure to possess such permits does not, and could not have, individually or in the aggregate, a Material Adverse Effect (the "Material Permits"), and the Company has not received any written notice of proceedings relating to the revocation or modification of any Material Permits except as described in the Registration Statement.

3.22 Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary for the business in which the Company and the Subsidiaries are engaged. The Company has no reason to believe that it will not be able to renew existing insurance coverage for itself and the Subsidiaries as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary or appropriate to continue business.

3.23 Internal Accounting Controls. Except as disclosed in the Registration Statement, the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with United States generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorizations, (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences, and (v) the Company is otherwise in compliance with the Securities Act, the Exchange Act and all other rules and regulations promulgated by the SEC and applicable to the Company, including such rules and regulations to implement the Sarbanes-Oxley Act of 2002, as amended.

3.24 Disclosure. To the best of the Company's knowledge, neither the Company nor, to the Company's knowledge, any other Person acting on its behalf and at the direction of the Company, has provided to any Purchaser or its agents or counsel any information that in the Company's reasonable judgment, at the time such information was furnished, constitutes material, non-public information, except such information as may have been disclosed to certain Board members, who are affiliated with certain Purchasers, in their capacity as directors of the Company. The Company understands and confirms that each Purchaser will rely on the representations and covenants contained herein in effecting the transactions contemplated by this Agreement and the Transaction Documents, and in the securities of the Company after the Closing. All disclosure provided to the Purchasers regarding the Company, its business and the transactions contemplated hereby, including the Schedules to this Agreement furnished by or on behalf of the Company, taken as a whole is true and correct and does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or information exists with respect to the Company or the Subsidiaries or its or their business, properties, prospects, operations or financial conditions, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 4.

4. Representations and Warranties of the Purchasers. Each Purchaser represents and warrants, severally (as to itself) and not jointly, to the Company as follows:

4.1 Authorization. All action on the part of such Purchaser and, if applicable, its officers, directors, managers, members, shareholders and/or partners necessary for the authorization, execution, delivery and performance of this Agreement and the Registration Rights Agreement, and the consummation of the transactions contemplated herein and therein, has been taken. When executed and delivered, each of this Agreement and the Registration Rights Agreement will constitute the legal, valid and binding obligation of such Purchaser, enforceable against such Purchaser in accordance with its terms, except as such may be limited

by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and by general equitable principles. Such Purchaser has all requisite corporate power and authority to enter into each of this Agreement and the Registration Rights Agreement, and to carry out and perform its obligations under the terms of hereof and thereof.

4.2 Purchase Entirely for Own Account. Such Purchaser is acquiring the Shares, the Warrants and the Warrant Shares for its own account for investment and not for resale or with a view to distribution thereof in violation of the Securities Act.

4.3 Investor Status; Etc. Such Purchaser certifies and represents to the Company that it is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and was not organized for the purpose of acquiring any of the Shares, the Warrants or the Warrant Shares. Such Purchaser's financial condition is such that it is able to bear the risk of holding the Shares for an indefinite period of time and the risk of loss of its entire investment. Such Purchaser has sufficient knowledge and experience in investing in companies similar to the Company so as to be able to evaluate the risks and merits of its investment in the Company.

4.4 Securities Not Registered. Such Purchaser understands that the Shares, the Warrant and the Warrant Shares have not been registered under the Securities Act, by reason of their issuance by the Company in a transaction exempt from the registration requirements of the Securities Act, and that the Shares, the Warrants and the Warrant Shares must continue to be held by such Purchaser unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration. Such Purchaser understands that the exemptions from registration afforded by Rule 144 (the provisions of which are known to it) promulgated under the Securities Act depend on the satisfaction of various conditions, and that, if applicable, Rule 144 may afford the basis for sales only in limited amounts.

4.5 No Conflict; Compliance with Laws. The execution and delivery of this Agreement and the Registration Rights Agreement by such Purchaser, and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or violate any provision of the organizational documents of such Purchaser, (ii) breach, conflict with or result in any violation of or default (or an event that with notice or lapse of time or both would become a default) under, or give rise to a right of termination, amendment, acceleration or cancellation (with or without notice or lapse of time, or both) of any obligation, contract, commitment, lease, agreement, mortgage, note, bond, indenture or other instrument or obligation to which the Purchaser is a party or by which it or any of its properties or assets are bound, or (iii) result in a violation of any statute, law, rule, regulation, order, ordinance or restriction applicable to the Purchaser or any of its properties or assets, or any judgment, writ, injunction or decree of any court, judicial or quasi-judicial tribunal applicable to the Purchaser or any of their properties or assets

4.6 Brokers. Such Purchaser has not retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement.

4.7 Consents. All consents, approvals, orders and authorizations required on

the part of such Purchaser in connection with the execution, delivery or performance of this Agreement and the consummation of the transactions contemplated herein have been obtained and are effective as of the date hereof.

4.8 Disclosure of Information. Such Purchaser has received or has had full access to all the information it considers necessary or appropriate for deciding whether to purchase the Shares, the Warrants and the Warrant Shares. Such Purchaser further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Shares, the Warrants and the Warrant Shares and the business, properties, prospects and financial condition of the Company and to obtain additional information necessary to verify any information furnished to such Purchaser or to which such Purchaser had access.

5. Conditions Precedent.

5.1 Conditions to the Obligation of the Purchasers to Consummate the Closing. The obligation of each Purchaser to consummate the Closing and to purchase and pay for the Shares to be purchased by it is subject to the satisfaction (or waiver by such Purchaser) of the following conditions precedent:

(a) The representations and warranties of the Company contained herein shall be true and correct on and as of the Closing Date. The Company shall have performed or complied with all obligations and conditions herein required to be performed or complied with by the Company on or prior to the date hereof.

(b) No proceeding challenging this Agreement or the Transaction Documents, or the transactions contemplated hereby or thereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted before any court, arbitrator or governmental body, agency or official or shall be pending against or involving the Company.

(c) The sale of the Shares and the issuance of the Warrants (and the Warrant Shares) to the Purchasers shall not be prohibited by any law, rule, governmental order or regulation. All necessary consents, approvals, licenses, permits, orders and authorizations of, or registrations, declarations and filings with, any governmental or administrative agency or of or with any other Person with respect to any of the transactions contemplated hereby shall have been duly obtained or made and shall be in full force and effect.

(d) All instruments and corporate proceedings of the Company in connection with the transactions contemplated by this Agreement and the Transaction Documents shall be satisfactory in form and substance to such Purchaser, and such Purchaser shall have received copies (executed or certified, as may be appropriate) of all documents which any Purchaser may have reasonably requested in connection with such transactions.

(e) The Registration Rights Agreement shall have been executed and delivered to such Purchaser by the Company.

(f) Such Purchaser shall have received from the Company an original stock certificate evidencing the purchase of the Shares and an original Warrant, in each case for the number of Shares of Common Stock and the number of Warrant Shares, respectively, set forth opposite such Purchaser's name on Schedule 1 hereto.

(g) The Company shall have delivered, in form and substance satisfactory to such Purchaser, a certificate dated the Closing Date and signed by the secretary or another appropriate executive officer of the Company, certifying (i) that attached copies of the Certificate of Incorporation, the By-Laws and resolutions of the Board approving this Agreement and the Transaction Documents are all true, complete and correct and remain in full force and effect as of the date hereof, and (ii) as to the incumbency and specimen signature of each officer of the Company executing this Agreement, the Transaction Documents and any other document delivered in connection herewith on behalf of the Company.

(h) The Company shall deliver to such Purchaser, a certificate in form and substance satisfactory to such Purchaser, dated the Closing Date and signed by the Company's chief executive officer, certifying that (i) the representations and warranties of the Company contained in Section 3 hereof are true and correct in all respects on the Closing Date and (ii) the Company has performed and complied with all of the agreements and conditions set forth or contemplated herein that are required to be performed or complied with by the Company on or before the Closing Date.

5.2 Conditions to the Obligation of the Company to Consummate the Closing. The obligation of the Company to consummate the Closing and to issue and sell the Shares to each Purchaser at the Closing is subject to the satisfaction of the following conditions precedent:

(a) The representations and warranties of the Purchasers contained herein shall be true and correct in all respects on and as of the Closing Date.

(b) The Registration Rights Agreement shall have been executed and delivered by the Purchasers.

(c) The Purchasers shall have performed all obligations and conditions herein required to be performed or complied with by the Purchasers on or prior to the Closing Date.

(d) No proceeding challenging this Agreement or the Transaction Documents, or the transactions contemplated hereby or thereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted before any court, arbitrator or governmental body, agency or official or shall be pending against or involving such Purchaser.

(e) The sale of the Shares and the issuance of the Warrants (and the Warrant Shares) by the Company shall not be prohibited by any law, rule, governmental order or regulation. All necessary consents, approvals, licenses, permits, orders and authorizations of, or registrations, declarations and filings with, any governmental or administrative agency or of any

other Person with respect to any of the transactions contemplated hereby shall have been duly obtained or made and shall be in full force and effect.

(f) All instruments and corporate proceedings in connection with the transactions contemplated by this Agreement to be consummated at the Closing shall be satisfactory in form and substance to the Company, and the Company shall have received counterpart originals, or certified or other copies of all documents, including without limitation records of corporate or other proceedings, which it may have reasonably requested in connection therewith.

6. Certain Covenants and Agreements.

6.1 Transfer of Securities. Each Purchaser agrees severally (as to itself only) and not jointly that it shall not sell, assign, pledge, transfer or otherwise dispose of or encumber any of the Shares, the Warrants or the Warrant Shares, except (i) pursuant to an effective registration statement under the Securities Act, (ii) to an Affiliate (so long as such Affiliate agrees to be bound by the terms and provisions of this Agreement as if, and to the fullest extent as, such Purchaser), or (iii) pursuant to an available exemption from registration under the Securities Act (including sales permitted pursuant to Rule 144) and applicable state securities laws and, if requested by the Company, upon delivery by such Purchaser of either an opinion of counsel of such Purchaser reasonably satisfactory to the Company to the effect that the proposed transfer is exempt from or does not require registration under the Securities Act and applicable state securities laws or a representation letter of such Purchaser reasonably satisfactory to the Company setting forth a factual basis for concluding that such proposed transfer is exempt from or does not require registration under the Securities Act and applicable state securities laws. Any transfer or purported transfer of the Shares in violation of this Section 6.1 shall be void. The Company shall not register any transfer of the Shares in violation of this Section 6.1. The Company may, and may instruct any transfer agent for the Company, to place such stop transfer orders as may be required on the transfer books of the Company in order to ensure compliance with the provisions of this Section 6.1.

6.2 Legends.

(a) To the extent applicable, each certificate or other document evidencing the Shares and the Warrant Shares shall be endorsed with the legend set forth below, and each Purchaser covenants that, except to the extent such restrictions are waived by the Company, it shall not transfer the shares represented by any such certificate without complying with the restrictions on transfer described in this Agreement and the legends endorsed on such certificate:

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER SAID ACT.”

(b) The legend set forth in Section 6.2(a) shall be removed from the certificates evidencing the Shares and the Warrant Shares, (i) following any sale of such Shares or Warrant Shares pursuant to Rule 144 or any effective registration statement, or (ii) if such Shares or Warrant Shares are eligible for sale under Rule 144(k) (and the holder of such Shares or Warrant Shares has submitted a written request for removal of the legend indicating that the holder has complied with the applicable provisions of Rule 144 or such judicial interpretation or pronouncement), or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the Staff of the Commission) (and the holder of such Shares or Warrant Shares has submitted a written request for removal of the legend indicating that such legend is not required under applicable requirements of the Securities Act (including such judicial interpretations and pronouncements)). The Company shall cause its counsel to issue a legal opinion to the Company's transfer agent promptly upon the occurrence of any of the events in clauses (i), (ii) or (iii) above to effect the removal of the legend on certificates evidencing the Shares or the Warrant Shares and shall also cause its counsel to issue a "blanket" legal opinion to the Company's transfer agent promptly after the effective date of any registration statement covering the resale of the Shares or any Warrant Shares, if required by the Company's transfer agent, to allow sales without restriction pursuant to an effective registration statement. The Company agrees that at such time as such legend is no longer required under this Section 6.2(b), it will, no later than three (3) business days following the delivery by a Purchaser to the Company or the Company's transfer agent of a certificate representing the Shares or Warrant Shares issued with a restrictive legend, deliver or cause to be delivered to such Purchaser a certificate representing such Shares or Warrant Shares that is free from all restrictive and other legends; provided that in the case of removal of the legend for reasons set forth in clause (ii) above, the holder of such Shares or Warrant Shares has submitted a written request for removal of the legend indicating that the holder has complied with the applicable provisions of Rule 144. The Company may not make any notation on its records or give instructions to any transfer agent of the Company that enlarge the restrictions on transfer set forth in this Section.

6.3 Publicity. Except to the extent required by applicable laws, rules, regulations or stock exchange requirements, neither (i) the Company, the Subsidiaries or any of their Affiliates nor (ii) any Purchaser or any of its Affiliates shall, without the written consent of the other, make any public announcement or issue any press release with respect to the transactions contemplated by this Agreement. In no event will either (i) the Company, the Subsidiaries or any of their Affiliates or (ii) any Purchaser or any of its Affiliates make any public announcement or issue any press release with respect to the transactions contemplated by this Agreement without consulting with the other party, to the extent feasible, as to the content of such public announcement or press release. Provided that the Company is permitted to issue an initial press release as may be mutually agreed upon by and between the Company and its placement agent.

6.4 Material, Nonpublic Information. Except as required by law, the Company and its directors, officers, employees and agents shall not provide any Purchaser with any material non-public information regarding the Company or any of the Subsidiaries at any time after the Closing, except such information as may be required to be disclosed to certain Board

members, who are affiliated with certain Purchasers, in their capacity as directors of the Company. In the event of a breach of the foregoing covenant following the Effective Date, or in the event that Company is legally required to make certain disclosures to any Purchaser (and does so) following the Effective Date, then in addition to any other remedy provided for herein, in the Transaction Documents or in equity or at law, each Purchaser to whom information has been disclosed (whether as a result of breach or as required by law) may request, in writing, that the Company promptly (but in no event more than five (5) business days after the date of such writing) publicly disclose, by press release, SEC filing, or otherwise, an appropriate summary of the information that, in such Purchaser's reasonable judgment, constitutes the then material non-public information. After such five (5) business-day period, the Purchaser(s) who was or were in receipt of such material non-public information shall be automatically authorized to make all of the information, or any portion thereof, available to the public generally, without incurring any liability to the Company for such disclosure.

6.5 Filing of Information. The Company covenants to use commercially reasonable best efforts to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company pursuant to all applicable securities laws, including the Exchange Act. At any time if the Company is not required to file reports pursuant to such laws, it will prepare and furnish to the Purchasers and make publicly available in accordance with paragraph (c) of Rule 144 such information as is required for the Purchasers to sell the Shares and the Warrant Shares under Rule 144. The Company further covenants that it will take such further action as any holder of Shares or Warrant Shares may reasonably request to satisfy the provisions of Rule 144 applicable to the issuer of securities relating to transactions for the sale of securities pursuant to Rule 144.

6.6 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Shares in a manner that would require the registration under the Securities Act of the sale of the Shares or the issuance of the Warrants or the Warrant Shares to the Purchasers.

6.7 Reservation of Common Stock for Issuance. The Company agrees to reserve from its duly authorized capital stock the total number of shares of Common Stock issuable upon execution of this Agreement and upon the exercise in full of the Warrants.

6.8 Required Approvals. As promptly as practicable after the date of this Agreement, the Company shall make, or cause to be made, all filings with any governmental or administrative agency or any other Person necessary to consummate the transactions contemplated hereby.

7. Indemnification.

7.1 (a) By the Company. The Company agrees to indemnify, defend and hold harmless each Purchaser and its Affiliates and their respective officers, directors, stockholder, partners, members and controlling persons (collectively, the "Purchaser Indemnitees") to the fullest extent permitted by law from and against any and all claims, losses, liabilities, damages,

deficiencies, judgments, assessments, fines, settlements, costs or expenses (including interest, penalties and reasonable fees, disbursements and other charges of counsel) (collectively, “Losses”) based upon, arising out of or otherwise in respect of any breach by the Company of any representation, warranty, covenant or agreement of the Company contained in this Agreement or in the Transaction Documents.

(b) By The Purchasers. Each Purchaser, severally (as to itself only) and not jointly agrees to indemnify, defend and hold harmless the Company and its Affiliates and their respective officers, directors, stockholders, partners, members and controlling persons (collectively, the “Company Indemnitees”) to the fullest extent permitted by law from and against any and all Losses based upon, arising out of or otherwise in respect of any breach by the Purchaser of any representation, warranty, covenant or agreement of the Purchaser contained in this Agreement or in the Transaction Documents.

7.2 Claims. All claims for indemnification by either a Purchaser Indemnitee or Company Indemnitee pursuant to this Section 7 shall be made as follows:

(a) If a Purchaser or Company Indemnitee has incurred or suffered Losses for which it is entitled to indemnification under this Section 7, then such Purchaser or Company Indemnitee shall give prompt written notice of such claim (a “Claim Notice”) to the Company or such Purchaser, as applicable. Each Claim Notice shall state the amount of claimed Losses (the “Claimed Amount”), if known, and the basis for such claim.

(b) Within 30 days after delivery of a Claim Notice, the Company or Purchaser, as applicable (the “Indemnifying Party”) shall provide to each Purchaser or Company Indemnitee, as applicable (the “Indemnified Party”), a written response (the “Response Notice”) in which the Indemnifying Party shall: (i) agree that all of the Claimed Amount is owed to the Indemnified Party, (ii) agree that part, but not all, of the Claimed Amount (the “Agreed Amount”) is owed to the Indemnified Party, or (iii) contest that any of the Claimed Amount is owed to the Indemnified Party. The Indemnifying Party may contest the payment of all or a portion of the Claimed Amount only based upon a good faith belief that all or such portion of the Claimed Amount does not constitute Losses for which the Indemnified Party is entitled to indemnification under this Section 7. If no Response Notice is delivered by the Indemnifying Party within such 30-day period, then the Indemnifying Party shall be deemed to have agreed that all of the Claimed Amount is owed to the Indemnified Party.

(c) If the Indemnifying Party in the Response Notice agrees (or is deemed to have agreed) that all of the Claimed Amount is owed to the Indemnified Party, then the Indemnifying Party shall owe to the Indemnified Party an amount equal to the Claimed Amount to be paid in the manner set forth in this Section 7. If the Indemnifying Party in the Response Notice agrees that part, but not all, of the Claimed Amount is owed to the Indemnified Party, then the Indemnifying Party shall owe to the Indemnified Party an amount equal to the agreed amount set forth in such Response Notice to be paid in the manner set forth in this Section 7. The parties agree that the foregoing shall not be deemed to provide that the Indemnifying Party is entitled to make a binding determination regarding any disputed amounts owed to an Indemnified Party, unless such Indemnified Party accepts and agrees to such determination, and both the Indemnified Party and Indemnifying Party shall retain all rights and

remedies available to such party hereunder.

(d) No delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party of any liability or obligation hereunder except to the extent of any actual prejudice caused by or arising out of such delay.

7.3 Payment of Claims. An Indemnifying Party shall make payment of any portion of any Claimed Amount that such Indemnifying Party has agreed in a Response Notice that it owes to an Indemnified Party, or that such Indemnifying Party is deemed to have agreed it owes to such Indemnifying Party, said payment to be made within thirty (30) days after such Response Notice is delivered by such Indemnifying Party or should have been delivered by such Indemnifying Party, as the case may be.

7.4 Limitations.

(a) Time for Claims. No Indemnifying Party will be liable for any Losses hereunder arising out of a breach of representation or warranty unless a written claim for indemnification is given by the Indemnified Party to the Indemnifying Party on or prior to the third anniversary of the date on which the registration statement covering the resale of the Shares initially became effective.

(b) Maximum Amount. Notwithstanding anything contained herein to the contrary, no Indemnifying Party will be liable for any Losses to any Purchaser Indemnitee hereunder in excess of the portion of the aggregate purchase price hereunder actually paid by the related Purchaser.

7.5 Applicability; Exclusivity. Notwithstanding any term to the contrary in this Section 7, the indemnification and contribution provisions of the Registration Rights Agreement shall govern any claim made with respect to registration statements filed pursuant thereto or sales made thereunder. The parties hereby acknowledge and agree that in addition to remedies of the parties hereto in respect of any and all claims relating to any breach or purported breach of any representation, warranty, covenant or agreement that is contained in this Agreement pursuant to the indemnification provisions of this Section 7, all parties shall always retain the right to pursue and obtain injunctive relief in addition to any other rights or remedies hereunder.

8. Miscellaneous Provisions.

8.1 Rights Cumulative. Each and all of the various rights, powers and remedies of the parties shall be considered to be cumulative with and in addition to any other rights, powers and remedies which such parties may have at law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy shall neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such party.

8.2 Pronouns. All pronouns or any variation thereof shall be deemed to refer

to the masculine, feminine or neuter, singular or plural, as the identity of the person, persons, entity or entities may require.

8.3 Notices.

(a) Any notices, reports or other correspondence (hereinafter collectively referred to as “correspondence”) required or permitted to be given hereunder shall be given in writing and shall be deemed given if sent by certified or registered mail (return receipt requested), overnight courier or telecopy (with confirmation of receipt), or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder. An electronic communication (“Electronic Notice”) shall be deemed written notice for purposes of this Section 8.3. Electronic Notice shall be deemed received at the time the party sending Electronic Notice transmits the Electronic Notice.

(b) All correspondence to the Company shall be addressed as follows:

Vincera, Inc.
611 South Congress Avenue, Suite 350
Austin, TX 78704
Attention: President
Fax: (630) 214-8824
dave@vincera.com

-and-

Worsham, Lancaster, Helling & Rose, L.L.P.
610 West Lynn
Austin, Texas 78703
Attention: Chris Helling
Fax: (512) 874-7138
chelling@whlrlaw.com

-and-

Wood & Sartain, L.L.P.
12655 North Central Expressway, Suite 325
Dallas, Texas 75243
Attention: David A. Wood
Fax: (972) 701-0302
david@woodsartain.com

(c) All correspondence to the Purchasers shall be addressed pursuant to the contact information set forth on Schedule 1 attached hereto.

(d) Any entity may change the address to which correspondence to it

is to be addressed by notification as provided for herein.

8.4 Captions. The captions and paragraph headings of this Agreement are solely for the convenience of reference and shall not affect its interpretation.

8.5 Severability. Should any part or provision of this Agreement be held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the invalid or unenforceable part or provisions shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in a valid and enforceable manner, and the remainder of this Agreement shall remain binding upon the parties hereto.

8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the internal and substantive laws of the State of Texas and without regard to any conflicts of laws concepts which would apply the substantive law of some other jurisdiction.

8.7 Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or be construed as, a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement.

8.8 Assignment. The rights and obligations of any party hereto shall inure to the benefit of and shall be binding upon the authorized successors and permitted assigns of such party. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of Purchasers who hold a majority of the outstanding Shares (the "Majority Purchasers"). Each Purchaser may assign or transfer any or all of its rights under this Agreement to any Person provided that such assignee or transferee agrees in writing to be bound, with respect to the transferred Shares and Warrant Shares, by the provisions hereof that apply to such assigning or transferring Purchaser; whereupon such assignee or transferee shall be deemed to be a "Purchaser" for all purposes of this Agreement.

8.9 Survival. The respective representations and warranties given by the parties hereto shall survive the Closing Date and the consummation of the transactions contemplated herein for a period of time equal to the time for which indemnification may be sought hereunder, without regard to any investigation made by any party. The respective covenants and agreements agreed to by a party hereto shall survive the Closing Date and the consummation of the transactions contemplated herein in accordance with their respective terms and conditions.

8.10 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto respecting the subject matter hereof and supersedes all prior agreements, negotiations, understandings, representations and statements respecting the subject matter hereof, whether written or oral.

8.11 Amendments. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provisions of this Agreement shall be effective

only if made or given in writing and signed by the Company and the Majority Purchasers; provided that any amendment, supplement, modification or waiver that is materially and disproportionately adverse to any particular Purchaser (as compared to all Purchasers as a group) shall require the consent of such Purchaser.

8.12 No Third Party Rights. This Agreement is intended solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any Person (including, without limitation, any stockholder or debt holder of the Company) other than the parties hereto; provided, that each of the Purchaser Indemnitees that are not Purchasers and each of the Company Indemnitees, if other than the Company, are entitled to all rights and benefits as third party beneficiaries of Article 7 of this Agreement.

8.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. The parties hereto confirm that any facsimile copy of another party's executed counterpart of this Agreement (or its signature page thereof) will be deemed to be an executed original thereof.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Securities Purchase Agreement under seal as of the day and year first above written.

VINCERA, INC.

By: /s/ David R. Malmstedt
David R. Malmstedt, President and Chief Executive Officer

PURCHASERS

By: _____

Title: _____

Address: _____

Number of Shares to Purchase: _____

Form of Payment Cash: _____

Cancellation of Indebtedness: _____

Taxpayer Identification Number (if entity): _____

Social Security Number (if individual): _____

[SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT]



Schedule of Purchasers

NEW INVESTORS Name	Investment Amount	Common Shares	Warrant Shares
Manuel A. Capella	\$25,200.00	70,000	17,500
MG&B Trust, Robert & Mary Gae Hays TTEE	\$10,800.00	30,000	7,500
Stephen Schertz SEP IRA	\$12,483.00	34,675	8,669
Jayne Malasko Roth IRA	\$3,560.00	9,889	2,472
Leah Malasko IRA	\$3,560.00	9,889	2,472
Christopher and Lisa Bonner	\$21,600.00	60,000	15,000
Joel T.Littles	\$17,000.00	47,222	11,806
John and Sandra Scheid	\$21,600.00	60,000	15,000
Robert Batch	\$54,000.00	150,000	37,500
M. Marcus Malinak	\$35,000.00	97,222	24,306
Holland Children Trust	\$7,020.00	19,500	4,875
William Kruse	\$360,000.00	1,000,000	250,000
Catalina Services - Michael Ereksen	\$10,800.00	30,000	7,500
Luke Bilberry	\$10,000.00	27,778	6,944
Doug and Stacey Mullen	\$6,120.00	17,000	4,250
Zeke A. Shortes	\$30,000.00	83,333	20,833
Doug Mullen IRA	\$3,420.00	9,500	2,375

Holders of Subordinated Promissory Notes Canceled Name	Principal & Interest Converted	Common Shares	Warrant Shares
Richard Crumly	\$36,000.00	100,000	25,000
Kevin McAuliffe	\$27,457.56	76,271	38,136
Odyssey Marketing Group, Inc.	\$56,164.32	156,012	78,006
Azar Computing	\$28,027.40	77,854	38,927
Mary Ann Thompson-Frenk "F" Trust	\$560,441.16	1,556,781	778,391
Gregory Brown	\$33,863.01	94,064	47,032
George W. & Elizabeth Race	\$28,006.85	77,797	38,898
Gregory E. Wolski	\$11,227.40	31,187	15,594
T.J. Sharp	\$44,898.48	124,718	62,359
Tim Glass	\$16,684.92	46,347	23,174
Kristine Holland	\$10,000.00	27,778	13,889
Carl Kleinmann	\$11,232.72	31,202	15,601
Wayne Parkman	\$111,588.84	309,969	154,985
Paul Foreman	\$115,315.07	320,320	160,160
Gene Paul Conrad	\$20,301.12	56,392	14,098
Robert Allison	\$103,000.00	286,111	71,528
Celia Martin	\$22,399.92	62,222	31,111
Richard L. Hunter Jr.	\$56,000.16	155,556	77,778
Michael & Kimberly Kline	\$27,862.92	77,397	38,699

Holders of Subordinated Promissory Notes Canceled (continued) Name	Principal & Interest Converted	Common Shares	Warrant Shares
Dorchie Ferrell	\$55,917.72	155,327	77,664
John B. Hall	\$28,109.52	78,082	39,041
Robert Allison	\$110,575.44	307,154	153,577
Don & Alice Frenk	\$30,387.95	84,411	42,205
Sherry Ellenbogen	\$56,205.48	156,126	78,063
Richard D. Gift	\$28,006.85	77,797	38,898
Eric Sutherland	\$27,794.52	77,207	38,604
Ron Bowling	\$56,054.79	155,708	77,854
Michael McAuliffe	\$43,459.69	120,721	60,361
M. Marcus Malinak	\$21,590.02	59,972	29,986
Michael Craddock	\$56,465.75	156,849	78,425
Renata I. Krajnik	\$11,435.62	31,766	15,883
Greg W.Sparks	\$85,726.03	238,128	119,064

Form of Registration Rights Agreement



Form of Common Stock Purchase Warrant

NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS AND NEITHER THIS WARRANT NOR THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE SOLD OR TRANSFERRED UNLESS THE REGISTRATION PROVISIONS OF THE SAID ACT AND APPLICABLE STATE SECURITIES LAWS HAVE BEEN COMPLIED WITH OR UNLESS COMPLIANCE WITH SUCH PROVISIONS IS NOT REQUIRED.

WARRANT NO.

Date

VINCERA, INC

COMMON STOCK PURCHASE WARRANT

Void after Date

This Warrant (the “Warrant”) entitles **HOLDERS** (including any successors or assigns, the “Holder”), for value received, to purchase from **VINCERA, INC.**, a Delaware corporation, at any time and from time to time, subject to the terms and conditions set forth herein, during the period starting from 5:00 a.m. on the Initial Exercise Date (as defined in Section 1 below) to 5:00 p.m., Eastern time, on the Expiration Date (as defined in Section 1 below), at which time this Warrant shall expire and become void, all or any portion of the vested Warrant Shares at the Exercise Price (as defined in Section 1 below). This Warrant also is subject to the following terms and conditions:

1. Definitions. As used in this Warrant, the following terms shall have the respective meanings set forth below or elsewhere in this Warrant as referred to below:

“Affiliate” means any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a Person, as such terms are used and construed under Rule 144, and any Person (or group of Persons) who share(s) voting or investment power or is (are) deemed a beneficial owner(s), as such terms are used and construed under Rule 13d-3 of the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, including, without limitation, any Person that serves as a general partner and/or investment adviser or in a similar capacity of a Person.

“Common Stock” means the common stock, \$0.001 par value per share, of the Company (including any securities into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event).

“Company” means Vincera, Inc., a Delaware corporation.

“Exercise Price” means \$0.36 per share of Common Stock, as applicable and as adjusted from time to time pursuant to the terms of this Warrant.

“Expiration Date” means **Date**.

“Fair Market Value” shall mean (i) if the Common Stock is traded on Nasdaq, then the last reported sale price per share of Common Stock on The NASDAQ Stock Market or any national securities exchange in which such Common Stock is quoted or listed, as the case may be, on the date immediately preceding each date the Warrant is exercised or, if no such sale price is reported on such date, such price on the next preceding business day in which such price was reported, (ii) if the Common Stock is actively traded over-the-counter, then the average of the closing bid and asked prices over the five (5) trading days ended on the trading day immediately preceding each date the Warrant is exercised or (iii) if such Common Stock is not traded, quoted or listed on The NASDAQ Stock Market or any national securities exchange or the over-the-counter market, then the fair market value of a share of Common Stock, as determined in good faith by the Board of Directors of the Company.

“Holder” has the meaning set forth in the preamble of this Warrant.

“Initial Exercise Date” means the date on which this Warrant first vests in accordance with Section 2.1 hereof.

“Person” (whether or not capitalized) means an individual, entity, partnership, limited liability company, corporation, association, trust, joint venture, unincorporated organization, and any government, governmental department or agency or political subdivision thereof.

“SEC” means the Securities and Exchange Commission

“Shares” means the shares of Common Stock issued pursuant to the Securities Purchase Agreement.

“Securities Purchase Agreement” means that certain Securities Purchase Agreement dated **October 14, 2005**, by and between the Company and the other parties thereto.

“Vesting Date” has the meaning set forth in Section 2.1 hereof.

“Warrant Shares” means an aggregate of **NUMBER OF** shares of Common Stock, after giving effect to all adjustments thereto provided for herein, including, without limitation, those set forth in Section 4 hereof.

2. Exercise of Warrant.

2.1 Method of Exercise; Vesting. Subject to all of the terms and conditions hereof (including the vesting provisions set forth below), this Warrant may be exercised in whole or in part, with respect to then vested Warrant Shares, at any time and from time to time during the period commencing on the Initial Exercise Date and ending on the Expiration Date. Exercise shall be by presentation and surrender to the Company at its principal office, or to the transfer agent of the Company, of this Warrant and the notice and subscription form annexed hereto, executed by the Holder, which shall indicate the number of shares for which the Holder intends to exercise this Warrant, together with payment to the Company in accordance with Section 3 hereof in an amount equal to the product of the Exercise Price multiplied by the number of Warrant Shares being purchased upon such exercise. Upon and as of receipt by the Company (or the transfer agent) of such properly completed and duly executed purchase form accompanied by payment as herein provided, the Holder shall be deemed to be the Holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant Shares shall not then actually be, or have been, delivered to the Holder.

This Warrant (i) shall become exercisable with respect to Warrant Shares (“vest”) with respect to all shares on the later of (a) March 15, 2006, or (b) 120 days after the final Closing Date (as defined in the Securities Purchase Agreement (the “Vesting Date”), if a registration statement covering the resale of the Shares shall not have been declared effective by the SEC by the Vesting Date; provided, however, that (ii) notwithstanding clause (i) above, the Warrant Shares shall vest only to the extent that, after giving effect to such vesting, such vesting will not result in the Holder (together with its Affiliates) owning, holding or beneficially owning more than 4.99% of the Common Stock (the “Ownership Limit”), and at any time, and from time to time, if the Holder (together with its Affiliates) owns, holds or beneficially owns a percentage less than the Ownership Limit, then this Warrant shall thereafter vest or continue to vest, first with respect to any Warrant Shares that would have vested in accordance with clause (i) above but for the Ownership Limit and second, otherwise in accordance with clause (i) above, but in each case, again, only to the extent that, after giving effect to such vesting, such vesting will not result in the Holder (together with its Affiliates) owning, holding or beneficially owning more than the Ownership Limit; provided further that if this Warrant does not vest and become exercisable for any Warrant Shares in accordance with this paragraph, then this Warrant shall become null and void.

2.2 Delivery of Stock Certificates on Exercise. As soon as practicable after the exercise of this Warrant, and in any event within five (5) business days thereafter, the Company, at its expense, and in accordance with applicable securities laws, will cause to be issued in the name of and delivered to the Holder, or as the Holder may direct (subject in all cases, to the provisions of Section 9 hereof), a certificate or certificates for the number of Warrant Shares purchased by the Holder on such exercise, plus, in lieu of any fractional share to which the Holder would otherwise be entitled, cash equal to such fraction multiplied by the Fair Market Value.

2.3

Shares To Be Fully Paid and Nonassessable. All Warrant Shares issued upon the exercise of this Warrant shall be validly issued, fully paid and nonassessable, free of all liens, taxes, charges and other encumbrances or restrictions on sale (other than those set forth herein).

2.4 Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares of Common Stock shall be issued upon the exercise of this Warrant. With respect to any fraction of a share of Common Stock called for upon any exercise hereof, the Company shall make a cash payment to the Holder as set forth in Section 2.2 hereof.

2.5

Issuance of New Warrants; Company Acknowledgment. Upon any partial exercise of this Warrant, the Company, at its expense, will forthwith and, in any event within five (5) business days, issue and deliver to the Holder a new warrant or warrants of like tenor, registered in the name of the Holder, exercisable, in the aggregate, for the balance of the Warrant Shares. Moreover, the Company shall, at the time of any exercise of this Warrant, upon the request of the Holder, acknowledge in writing its continuing obligation to afford to the Holder any rights to which the Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant; provided, however, that if the Holder shall fail to make any such request, such failure shall not affect the continuing obligation of the Company to afford to the Holder any such rights.

2.6 Payment of Taxes and Expenses. The Company shall pay any recording, filing, stamp or similar tax which may be payable in respect of any transfer involved in the issuance of, and the preparation and delivery of certificates (if applicable) representing, (i) any Warrant Shares purchased upon exercise of this Warrant and/or (ii) new or replacement warrants in the Holder's name or the name of any transferee of all or any portion of this Warrant.

3. Payment of Exercise Price. The Exercise Price for the Warrant Shares being purchased may be paid (i) in cash, by certified check or by wire transfer to an account designated in writing by the Company, (ii) by cancellation of indebtedness owing from the Company to the Holder, (iii) by the Holder surrendering a number of Warrant Shares having a Fair Market Value on the date of exercise equal to, or greater than (but only if by a fractional share) the required aggregate Exercise Price, in which case the Holder shall receive the number of Warrant Shares to which it would otherwise be entitled upon such exercise, less the surrendered shares, or (iv) any combination of the methods described in the foregoing clauses (i), (ii) and (iii).

4.

Adjustment of Exercise Price. The Exercise Price shall be subject to adjustment from time to time upon the happening of certain events as follows:

4.1. Subdivision or Combination of Stock. If at any time or from time to time after the date hereof, the Company shall subdivide (by way of stock dividend, stock split or otherwise) its outstanding shares of Common Stock, the Exercise Price in effect

immediately prior to such subdivision shall be reduced proportionately and the number of Warrant Shares (calculated to the nearest whole share) shall be increased proportionately, and conversely, in the event the outstanding shares of Common Stock shall be combined (whether by stock combination, reverse stock split or otherwise) into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be increased proportionately and the number of Warrant Shares (calculated to the nearest whole share) shall be decreased proportionately. The Exercise Price and the number of Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 4.1.

4.2 Adjustment for Stock Dividends. If at any time after the date hereof, the Company shall declare a dividend or make any other distribution upon any class or series of stock of the Company payable in shares of Common Stock or securities convertible into shares of Common Stock, the Exercise Price and the number of Warrant Shares to be obtained upon exercise of this Warrant shall be adjusted proportionately to reflect the issuance of any shares of Common Stock or convertible securities, as the case may be, issuable in payment of such dividend or distribution. The Exercise Price and the number of Warrant Shares, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described in this Section 4.2.

4.3 Adjustments for Reclassifications. If the Common Stock issuable upon the conversion of this Warrant shall be changed into the same or a different number of shares of any class(es) or series of stock, whether by reclassification or otherwise (other than an adjustment under Sections 4.1 and 4.2 or a merger, consolidation, or sale of assets provided for under Section 4.4), then and in each such event, the Holder hereof shall have the right thereafter to convert each Warrant Share into the kind and amount of shares of stock and other securities and property receivable upon such reclassification, or other change by holders of the number of shares of Common Stock into which such Warrant Shares would have been convertible immediately prior to such reclassification or change, all subject to successive adjustments thereafter from time to time pursuant to and in accordance with, the provisions of this Section 4.

4.4 Adjustments for Merger or Consolidation. In the event that, at any time or from time to time after the date hereof, the Company shall (a) effect a reorganization, (b) consolidate with or merge into any other Person, or (c) sell or transfer all or substantially all of its properties or assets or more than 50% of the voting capital stock of the Company (whether issued and outstanding, newly issued, from treasury, or any combination thereof) to any other person under any plan or arrangement contemplating the consolidation or merger, sale or transfer, or dissolution of the Company, then, in each such case, the Holder, upon the exercise of this Warrant as provided in Section 2.1 hereof at any time or from time to time after the consummation of such reorganization, consolidation, merger or sale or the effective date of such dissolution, as the case may be, shall receive, in lieu of the Warrant Shares issuable on such exercise immediately prior to such consummation or such effective date, as the case may be, the stock and property (including cash) to which the Holder would have been entitled upon the consummation of such consolidation or merger, or sale or transfer, or in connection with such dissolution, as the

case may be, if the Holder had so exercised this Warrant immediately prior thereto (assuming the payment by the Holder of the Exercise Price therefor as required hereby in a form permitted hereby, which payment shall be included in the assets of the Company for the purposes of determining the amount available for distribution), all subject to successive adjustments thereafter from time to time pursuant to, and in accordance with, the provisions of this Section 4.

4.5 Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any such transfer) referred to in this Section 4, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the shares of Common Stock and other securities and property receivable upon the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any such Common Stock or other securities, including, in the case of any such transfer, the Person acquiring all or substantially all of the properties or assets or more than 50% of the voting capital stock of the Company (whether issued and outstanding, newly issued or from treasury or any combination thereof), whether or not such Person shall have expressly assumed the terms of this Warrant.

4.6 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Exercise Price and number of Warrant Shares pursuant to this Section 4, this Warrant shall, without any action on the part of the Holder, be adjusted in accordance with this Section 4, and the Company, at its expense, promptly shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to the Holder a certificate setting forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based. The Company will forthwith send a copy of each such certificate to the Holder in accordance with Section 11.4 below.

5. Registration Rights. The Warrant Shares shall be entitled to registration rights and all other rights as applicable to such shares in accordance with that certain Registration Rights Agreement, dated as of the date hereof, as amended, by and among the Company and the Investors named therein.

6. Notices of Record Date. Upon (a) any establishment by the Company of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or right or option to acquire securities of the Company, or any other right, or (b) any capital reorganization, reclassification, recapitalization, merger or consolidation of the Company with or into any other corporation, any transfer of all or substantially all the assets of the Company, or any voluntary or involuntary dissolution, liquidation or winding up of the Company, or the sale, in a single transaction, of a majority of the Company's voting stock (whether newly issued, or from treasury, or previously issued and then outstanding, or any combination thereof), the Company shall mail to the Holder at least ten (10) business days, or such longer period as may be required by law, prior to the record date specified therein, a notice specifying (i) the date established as the record date for the purpose of such dividend,

distribution, option or right and a description of such dividend, distribution, option or right, (ii) the date on which any such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up, or sale is expected to become effective and (iii) the date, if any, fixed as to when the holders of record of Common Stock shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, transfer, consolidation, merger, dissolution, liquidation or winding up.

7. **Exchange of Warrant.** Subject to the provisions of Section 9 hereof (if and to the extent applicable), this Warrant shall be exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for new warrants of like tenor, each registered in the name of the Holder or in the name of such other persons as the Holder may direct (upon payment by the Holder of any applicable transfer taxes). Each of such new warrants shall be exercisable for such number of Warrant Shares as the Holder shall direct, provided that all of such new warrants shall represent, in the aggregate, the right to purchase the same number of Warrant Shares and cash, securities or other property, if any, which may be purchased by the Holder upon exercise of this Warrant at the time of its surrender.

8. **No Impairment.** The Company will not, by amendment of its Certificate of Incorporation or By-Laws or through any reorganization, 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 of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all action as may be necessary or appropriate in order to protect the rights of the Holder against impairment.

9. **Transfer Provisions, etc.**

9.1 **Legends.** Subject to Section 6.2 of the Securities Purchase Agreement, each certificate representing any Warrant Shares issued upon exercise of this Warrant, and of any shares of Common Stock into which such Warrant Shares may be converted, shall bear the following legend:

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER SAID ACT.”

9.2 **Mechanics of Transfer.**

(a) Any transfer of all or any portion of this Warrant (and the Warrant Shares), or of any interest herein or therein, that is otherwise in compliance with applicable law shall be effected by surrendering this Warrant to the Company at its principal office, together with a duly executed form of assignment, in the form attached hereto. In the

event of any such transfer of this Warrant, the Company shall issue a new warrant or warrants of like tenor to the transferee(s), representing, in the aggregate, the right to purchase the same number of Warrant Shares and cash, securities or other property, if any, which may be purchased by the Holder upon exercise of this Warrant at the time of its surrender.

(b) In the event of any transfer of all or any portion of this Warrant in accordance with Section 9.2(a) above, the Company shall issue (i) a new warrant of like tenor to the transferee, representing the right to purchase the number of Warrant Shares, and cash, securities or other property, if any, which were purchasable by the Holder of the transferred portion of this Warrant, and (ii) a new warrant of like tenor to the Holder, representing the right to purchase the number of Warrant Shares, and cash, securities or other property, if any, purchasable by the Holder of the un-transferred portion of this Warrant. Until this Warrant or any portion thereof is transferred on the books of the Company, the Company may treat the Holder as the absolute holder of this Warrant and all right, title and interest therein for all purposes, notwithstanding any notice to the contrary.

9.3

No Restrictions on Transfer. Subject to compliance with applicable securities laws, this Warrant and any portion hereof, the Warrant Shares and the rights hereunder may be transferred by the Holder in its sole discretion at any time and to any Person or Persons, including without limitation Affiliates and affiliated groups of such Holder, without the consent of the Company.

9.4 Warrant Register. The Company shall keep at its principal office a register for the registration, and registration of transfers, of the Warrants. The name and address of each Holder of one or more of the Warrants, each transfer thereof and the name and address of each transferee of one or more of the Warrants shall be registered in such register. The Company shall give to any Holder of a Warrant promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders of the Warrants.

10. Lost, Stolen or Destroyed Warrant. Upon receipt by the Company of evidence satisfactory to it of loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of a customary affidavit of the Holder and indemnity agreement, or, in the case of mutilation, upon surrender of this Warrant, the Company at its expense will execute and deliver, or will instruct its transfer agent to execute and deliver, a new Warrant of like tenor and date, and any such lost, stolen or destroyed Warrant thereupon shall become void.

11. General.

11.1 Authorized Shares, Reservation of Shares for Issuance. At all times while this Warrant is outstanding, the Company shall maintain its corporate authority to issue, and shall have authorized and reserved for issuance upon exercise of this Warrant, such number of shares of Common Stock, any other capital stock or other securities as shall be sufficient to perform its obligations under this Warrant (after giving effect to any and all

adjustments to the number and kind of Warrant Shares purchasable upon exercise of this Warrant).

11.2

No Rights as Stockholder. The Holder shall not be entitled to vote or to receive dividends or to be deemed the holder of Common Stock that may at any time be issuable upon exercise of this Warrant for any purpose whatsoever, nor shall anything contained herein be construed to confer upon the Holder any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance or reclassification of stock, change of par value or change of stock to no par value, consolidation, merger or conveyance or otherwise), or to receive notice of meetings (except to the extent otherwise provided in this Warrant), or to receive dividends or subscription rights, until the Holder shall have exercised this Warrant and been issued Warrant Shares in accordance with the provisions hereof.

11.3 Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been given if personally delivered or delivered by overnight courier or mailed by first-class registered or certified mail, postage prepaid, return receipt requested, or sent by fax machine, addressed as follows:

(a) if to the Company at:

Vincera, Inc.
611 South Congress Avenue, Suite 350
Austin, TX 78704
Attention: David R. Malmstedt, President and CEO
Tel: (512) 443-8749
Fax: (630) 214-8824

with copies to:

Worsham, Lancaster, Helling & Rose, L.L.P.
610 West Lynn
Austin, Texas 78703
Attention: Chris Helling
Fax: (512) 874-7138
chelling@whlrlaw.com

and:

Wood & Sartain, L.L.P
12655 North Central Expressway, Suite 325
Dallas, Texas 75243
Attention: David A. Wood
Fax: (972) 701-0302
david@woodsartain.com

(b) if to the Holder, at the Holder' s address appearing in the books maintained by the Company.

An electronic communication ("Electronic Notice") shall be deemed written notice for purposes of this Section 11.3. Electronic Notice shall be deemed received at the time the party sending Electronic Notice transmits the Electronic Notice.

12. Amendment and Waiver. No failure or delay of the Holder in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Holder are cumulative and not exclusive of any rights or remedies which it would otherwise have. The terms of this Warrant may be amended, modified or waived only with the written consent of the Company and the Holder.

13. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Texas, as such laws are applied to contracts entered into and wholly to be performed within the State of Texas and without giving effect to any principles of conflicts or choice of law that would result in the application of the laws of any other jurisdiction.

14. Covenants To Bind Successor and Assigns. All covenants, stipulations, promises and agreements in this Warrant contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

15. Severability. In case any one or more of the provisions contained in this Warrant shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

16. Construction. The definitions of this Warrant shall apply equally to both the singular and the plural forms of the terms defined. Wherever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The section and paragraph headings used herein are for convenience of reference only, are not part of this Warrant and are not to affect the construction of or be taken into consideration in interpreting this Warrant.

17. Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, may be entitled to specific performance of its rights under this Warrant. In any action or proceeding brought to enforce any provision of this Warrant or where any provision hereof is validly asserted as a defense, the successful

party to such action or proceeding shall be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

[signature page follows]

In Witness Whereof,
the Company has executed this Common Stock Purchase Warrant as of **Date**.

COMPANY:

VINCERA INC.

By: /s/ David R. Malmstedt
David R. Malmstedt,
President and Chief Executive Officer

NAME	Investment Amount	Common Shares	Warrant Shares
Manuel A. Capella	\$25,200.00	70,000	17,500
MG&B Trust, Robert & Mary Gae Hays TTEE	\$10,800.00	30,000	7,500
Stephen Schertz SEP IRA	\$12,483.00	34,675	8,669
Jayne Malasko Roth IRA	\$3,560.00	9,889	2,472
Leah Malasko IRA	\$3,560.00	9,889	2,472
Christopher and Lisa Bonner	\$21,600.00	60,000	15,000
Joel T.Littles	\$17,000.00	47,222	11,806
John and Sandra Scheid	\$21,600.00	60,000	15,000
Robert Batch	\$54,000.00	150,000	37,500
M. Marcus Malinak	\$35,000.00	97,222	24,306
Holland Children Trust	\$7,020.00	19,500	4,875
William Kruse	\$360,000.00	1,000,000	250,000
Catalina Services - Michael Erekson	\$10,800.00	30,000	7,500
Luke Bilberry	\$10,000.00	27,778	6,944
Doug and Stacey Mullen	\$6,120.00	17,000	4,250
Zeke A. Shortes	\$30,000.00	83,333	20,833
Doug Mullen IRA	\$3,420.00	9,500	2,375

[SIGNATURE PAGE TO COMMON STOCK PURCHASE WARRANT]

**NOTICE AND
SUBSCRIPTION**

To: VINCERA CORPORATION

Date:

611 South Congress Avenue, Suite 350
Austin, TX 78704

The undersigned hereby irrevocably elects to exercise the right of purchase represented by the attached Warrant for, and to exercise thereunder, _____ shares of Common Stock, of VINCERA, INC. a Delaware corporation, and tenders herewith payment of \$_____, representing the aggregate purchase price for such shares based on the price per share provided for in such Warrant. Such payment is being made in accordance with [Section 3(i)] [Section 3(ii)] [Section 3(iii)] [Section 3(iv)] of the attached Warrant.

Please issue a certificate or certificates for such shares of Common Stock in the following name or names and denominations and deliver such certificate or certificates to the person or persons listed below at their respective addresses set forth below:

If said number of shares of Common Stock shall not be all the shares of Common Stock issuable upon exercise of the attached Warrant, a new Warrant is to be issued in the name of the undersigned for the balance remaining of such shares of Common Stock less any fraction of a share of Common Stock paid in cash.

Dated: _____, _____

Signature

FORM OF ASSIGNMENT

(To be executed upon assignment of Warrant)

For value received, _____ hereby sells, assigns and transfers unto _____ the attached Warrant [__% of the attached Warrant], together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ attorney to transfer said Warrant [said percentage of said Warrant] on the books of VINCERA, INC., a Delaware corporation, with full power of substitution in the premises.

If not all of the attached Warrant is to be so transferred, a new Warrant is to be issued in the name of the undersigned for the balance of said Warrant.

The undersigned hereby agrees that it will not sell, assign, or transfer the right, title and interest in and to the Warrant unless applicable federal and state securities laws have been complied with.

Dated: _____, _____

Signature

NEITHER THIS WARRANT NOR ANY OF THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW. NO TRANSFER OF THIS WARRANT OR OF THE SECURITIES ISSUABLE UPON EXERCISE HEREOF SHALL BE VALID OR EFFECTIVE UNLESS (A) SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAW, OR (B) THE HOLDER SHALL DELIVER TO THE COMPANY AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OF ANY APPLICABLE STATE SECURITIES LAW.

Warrant No.

Date

VINCERA, INC.

STOCK PURCHASE WARRANT

Vincera, Inc., a Delaware corporation (the "**Company**"), hereby grants to [**Holder Name**] (together with its registered assignee or transferee being referred to herein as the "**Holder**") the right to purchase, at any time and from time to time on and after the earlier of (i) immediately prior to the consummation of the Private Placement (as defined below) or (ii) until the Expiration Date (as defined below), up to _____ of fully paid and nonassessable shares of the Common Stock of the Company, par value \$0.001 per share (the "**Common Stock**"). As used herein, the term "**Private Placement**" shall mean the private sale of Common Stock of the Company (including any securities into which or for which such shares may be exchanged for, or converted into, pursuant to any stock dividend, stock split, stock combination, recapitalization, reclassification, reorganization or other similar event,) at an aggregate purchase price of up to \$10,225,000 in addition to the issuance of up to approximately 8,492,167 shares of Common Stock upon cancellation of indebtedness.

This Stock Purchase Warrant (hereinafter, this "**Warrant**") shall expire and be of no further force or effect upon the earliest of (i) eighteen (18) months after the final closing of the Private Placement as determined in accordance with the Purchase Agreement (defined below), (ii) twelve (12) months following the consummation of a best efforts commitment, underwritten public offering, (iii) the sale of all or substantially all of the Company's assets, or (iv) immediately prior to any merger or consolidation of the Company in which the Company is not the surviving entity (the earliest of such events being the "**Expiration Date**"); provided that the Company shall give notice to the Holder at least 20 days prior to the events set forth in clauses (ii) through (iv). This Warrant is being issued pursuant to the terms of a Securities Purchase Agreement by and between the Company and the Holder (the "**Purchase Agreement**").

Section 1. Exercise and Vesting of Warrant.

1.1. Exercise; Vesting. Subject to adjustment as hereinafter provided, the rights represented by this Warrant are exercisable on and after the earlier of (i) the date of the final

Closing of the Private Placement as determined in accordance with the Purchase Agreement and for eighteen (18) months thereafter, or (ii) until the Expiration Date (the “**Exercise Date**”), at a price (the “**Exercise Price**”) per share equal to \$0.50. The Exercise Price shall be payable in cash, or by certified or official bank check. This Warrant is fully vested.

1.2. Delivery of Certificate. Upon surrender of this Warrant with a duly executed Notice of Exercise in the form of Annex A attached hereto, together with payment of the Exercise Price for the Warrant Shares purchased, at the Company’s principal executive offices presently located at 611 South Congress, Suite 350, Austin, Texas 78704, or at such other address as the Company shall have advised the Holder in writing (the “**Designated Office**”), the Holder shall be entitled to receive a certificate or certificates for the Warrant Shares so purchased. The Company agrees that the Warrant Shares shall be deemed to have been issued to the Holder as of the close of business on the date on which this Warrant shall have been surrendered together with the Notice of Exercise and payment for such Warrant Shares.

Section 2. Transfer; Issuance of Stock Certificates; Restrictive Legends.

2.1. Transfer. Subject to compliance with the restrictions on transfer set forth in this Warrant and in the Purchase Agreement, each transfer of this Warrant and all rights hereunder, in whole or in part, shall be registered on the books of the Company to be maintained for such purpose, upon surrender of this Warrant at the Designated Office, together with a written assignment of this Warrant in the form of Annex B attached hereto duly executed by the Holder or its agent or attorney. Upon such surrender and delivery, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, if any. A Warrant, if properly assigned in compliance with the provisions hereof, may be exercised by the new Holder for the purchase of Warrant Shares without having a new Warrant issued. Prior to due presentment for registration of transfer thereof, the Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof (notwithstanding any notations of ownership or writing thereon made by anyone other than a duly authorized officer of the Company) for all purposes and shall not be affected by any notice to the contrary. All Warrants issued upon any assignment of Warrants shall be the valid obligations of the Company, evidencing the same rights, and entitled to the same benefits as the Warrants surrendered upon such registration of transfer or exchange. Notwithstanding the foregoing, the Holder hereof may not transfer rights to any subsequent Holder who is not a Major Purchaser (as defined below) without the prior written consent of the Company, which consent shall not be unreasonably withheld. As used herein, the term “**Major Purchaser**” shall mean any person who, originally or as a result of the transaction, assignment or transfer, owns in the aggregate at least 250,000 shares of Preferred Stock and/or Common Stock of the Company (as adjusted for any stock split, combination, reclassification or other similar event).

2.2. Stock Certificates. Certificates for the Warrant Shares shall be delivered to the Holder within a reasonable time after the rights represented by this Warrant shall have been exercised pursuant to Section 1, and a new Warrant representing the shares of Common Stock, if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the Holder within such time. The issuance of certificates for Warrant Shares upon the exercise

of this Warrant shall be made without charge to the Holder hereof including, without limitation, any documentary, stamp or similar tax that may be payable in respect thereof; provided, however, that the Company shall not be required to pay any income tax to which the Holder hereof may be subject in connection with the issuance of this Warrant or the Warrant Shares; and provided further, that if Warrant Shares are to be delivered in a name other than the name of the Holder hereof representing any Warrant being exercised, then no such delivery shall be made unless the person requiring the same has paid to the Company the amount of transfer taxes or charges incident thereto, if any.

2.3. Restrictive Legends.

(a) Except as otherwise provided in this Section 2, each certificate for Warrant Shares initially issued upon the exercise of this Warrant, and each certificate for Warrant Shares issued to any subsequent transferee of any such certificate, shall be stamped or otherwise imprinted with a legend in substantially the following form:

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAW. NO TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE SHALL BE VALID OR EFFECTIVE UNLESS (A) SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (B) THE HOLDER SHALL DELIVER TO THE COMPANY AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE COMPANY THAT SUCH PROPOSED TRANSFER IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OF ANY APPLICABLE STATE SECURITIES LAWS.”

(b) Except as otherwise provided in this Section 2, each Warrant shall be stamped or otherwise imprinted with a legend in substantially the following form:

“NEITHER THIS WARRANT NOR ANY OF THE SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAW, NO TRANSFER OF THIS WARRANT OR OF THE SECURITIES ISSUABLE UPON EXERCISE HEREOF SHALL BE VALID OR EFFECTIVE UNLESS (A) SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAW, OR (B) THE HOLDER SHALL DELIVER TO THE COMPANY AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND OF ANY APPLICABLE STATE SECURITIES LAW.”

Notwithstanding the foregoing, the legend requirements of this Section 2 shall terminate as to any particular Warrant or Warrant Share when the Company shall have received from the Holder thereof an opinion of counsel in form and substance reasonably acceptable to the Company that such legend is not required in order to ensure compliance with the Securities Act. Whenever the restrictions imposed by this Section 2 shall terminate, the Holder hereof or of Warrant Shares, as the case may be, shall be entitled to receive from the Company without cost to such Holder a new Warrant or certificate for Warrant Shares of like tenor, as the case may be, without such restrictive legend.

Section 3. Adjustment of Number of Shares; Exercise Price; Nature of Securities Issuable Upon Exercise of Warrants.

3.1. Exercise Price; Adjustment of Number of Shares. The Exercise Price set forth in Section 1 hereof and the number of shares purchasable hereunder shall be subject to adjustment from time to time as hereinafter provided.

(a) Reclassification, etc. If the Company, at any time while this Warrant, or any portion thereof, remains outstanding and unexpired, shall, by the reclassification or exchange of securities or otherwise, change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such reclassification, exchange, or other change and the Exercise Price therefor shall be appropriately adjusted, all subject to further adjustment as provided in this Section 3.

(b) Stock Splits, Stock Dividends and Reverse Stock Splits. In case at any time the Company shall split or subdivide the outstanding shares of Common Stock into a greater number of shares, or shall declare and pay any stock dividend with respect to its outstanding stock that has the effect of increasing the number of outstanding shares of Common Stock, the Exercise Price in effect immediately prior to such subdivision or stock dividend shall be proportionately reduced and the number of Warrant Shares purchasable pursuant to this Warrant immediately prior to such subdivision or stock dividend shall be proportionately increased, and conversely, in case at any time the Company shall combine its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of Warrant Shares purchasable upon the exercise of this Warrant immediately prior to such combination shall be proportionately reduced.

(c) Adjustments for Dividends in Stock or Other Securities of Property. If while this Warrant, or any portion hereof, remains outstanding and unexpired the Holder of the securities as to which purchase rights under this Warrant exist at the time shall have received, or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefor, other or additional stock or other securities or property (other than cash) of the Company by way of dividend, then and in each case, this Warrant shall represent the right to acquire, in addition to the number of shares of the security receivable upon exercise of this Warrant, and without payment of any additional consideration

therefor, the amount of such other or additional stock or other securities or property of the Company that such Holder would hold on the date of such exercise had it been the Holder of record of the security receivable upon exercise of this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional stock available by it as aforesaid during such period, giving effect to all adjustments called for during such period by the provisions of this Section 3.

3.2. Timing of Exercise Price Adjustment. No adjustment of the Exercise Price shall be made unless such adjustment would require an increase or decrease of at least \$0.35 in such price; provided that any adjustments which by reason of this Section 3.2 are not required to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment(s) so carried forward, shall require an increase or decrease of at least \$0.05 in the Exercise Price then in effect hereunder.

3.3. Accountant' s Certificate. In each case of an adjustment in the Exercise Price, number of Warrant Shares or other stock, securities or property receivable upon the exercise of this Warrant, the Company shall compute, and upon the Holder' s request shall at the Company' s expense cause the Company' s independent public accountants to certify such computation in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based, including a statement of (i) the number of shares of Common Stock of each class outstanding or deemed to be outstanding, (ii) the adjusted Exercise Price and (iii) the number of Warrant Shares issuable upon exercise of this Warrant. The Company will forthwith mail a copy of each such certificate to the Holder hereof. In the event that the Holder disputes such adjustment, the Holder shall be entitled to select an additional firm of independent certified public accountants of national standing and paid for by the Holder to certify such adjustment and the Company and the Holder shall use their good faith best efforts to agree on such adjustment based on the reports of the two accounting firms. In the event that the Company and the Holder are still unable to reach agreement as to such adjustment, the Company and the Holder agree to submit such determination to binding arbitration. Upon determination of such adjustment, the Board of Directors shall forthwith make the adjustments described therein.

Section 4. Registration; Exchange and Replacement of Warrant; Reservation of Shares.

The Company shall keep at the Designated Office a register in which the Company shall provide for the registration, transfer and exchange of this Warrant. The Company shall not at any time, except upon the dissolution, liquidation or winding-up of the Company, close such register so as to result in preventing or delaying the exercise or transfer of this Warrant.

The Company may deem and treat the person in whose name this Warrant is registered as the Holder and owner hereof for all purposes and shall not be affected by any notice to the contrary, until presentation of this Warrant for registration or transfer as provided in this Section 4.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant and (in case of loss, theft or destruction) of indemnity

satisfactory to it, and (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will (in the absence of notice to the Company that the Warrant has been acquired by a bona fide purchaser) make and deliver a new Warrant of like tenor, in lieu of this Warrant without requiring the posting of any bond or the giving of any security.

The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the exercise of this Warrant, such number of shares of Common Stock as shall be issuable upon the exercise hereof. The Company covenants and agrees that, upon exercise of this Warrant and payment of the Exercise Price therefor, if applicable, all Warrant Shares issuable upon such exercise shall be duly and validly issued, fully paid and non-assessable.

Section 5. Fractional Warrants and Fractional Shares.

If the number of Warrant Shares purchasable upon the exercise of this Warrant is adjusted pursuant to Section 3 hereof, the Company shall nevertheless not be required to issue fractions of shares, upon exercise of this Warrant or otherwise, or to distribute certificates that evidence fractional shares. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current market value of such fractional share as may be prescribed by the Board of Directors of the Company.

Section 6. Warrant Holders Not Deemed Stockholders.

No Holder of this Warrant shall, as such, be entitled to vote or to receive dividends or be deemed the Holder of Warrant Shares that may at any time be issuable upon exercise of this Warrant for any purpose whatsoever, nor shall anything contained herein be construed to confer upon the Holder of this Warrant, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issue or reclassification of stock, change of par value or change of stock to no par value, consolidation, merger or conveyance or otherwise), or to receive notice of meetings, or to receive dividends or subscription rights, until such Holder shall have exercised this Warrant and been issued Warrant Shares in accordance with the provisions hereof.

Section 7. Notices.

All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly made when delivered personally, or mailed by registered or certified mail, return receipt requested, or telecopied or telexed and confirmed in writing and delivered personally or mailed by registered or certified mail, return receipt requested (a) if to the Holder of this Warrant, to the address of such Holder as shown on the books of the Company, or (b) if to the Company, to the address set forth in Section 1.2 of this Warrant; or at such other address as the Holder or the Company may hereafter have advised the other.

Section 8. Successors.

All the covenants, agreements, representations and warranties contained in this Warrant shall bind the parties hereto and their respective heirs, executors, administrators, distributees, successors, assigns and transferees.

Section 9. Law Governing.

THIS WARRANT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF.

Section 10. Entire Agreement; Amendments and Waivers.

This Warrant is one of a series of warrants (the “*Purchase Warrants*”) to be issued in connection with the Purchase Agreement. None of the Purchase Warrants, nor any term thereof, may be amended, waived, discharged or terminated except by a written instrument signed by the Company and a majority of the holders of the Purchase Warrants, and any such amendment, waiver, discharge or termination shall be binding on all of the holders of Purchase Warrants.

Section 11. Severability; Headings.

If any term of this Warrant as applied to any person or to any circumstance is prohibited, void, invalid or unenforceable in any jurisdiction, such term shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity without in any way affecting any other term of this Warrant or affecting the validity or enforceability of this Warrant or of such provision in any other jurisdiction. The section headings in this Warrant have been inserted for purposes of convenience only and shall have no substantive effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Stock Purchase Warrant to be duly executed as of the date first written above, and signed by the parties effective as of the date first above written.

VINCERA, INC.

By: /s/David R. Malmstedt

Print Name: David R. Malmstedt, CEO

*Signature Page to
Stock Purchase Warrant*

Holders of Subordinated Promissory Notes Canceled Name	Principal & Interest Converted	Common Shares	Warrant Shares
Richard Crumly	\$36,000.00	100,000	25,000
Kevin McAuliffe	\$27,457.56	76,271	38,136
Odyssey Marketing Group, Inc.	\$56,164.32	156,012	78,006
Azar Computing	\$28,027.40	77,854	38,927
Mary Ann Thompson-Frenk "F" Trust	\$560,441.16	1,556,781	778,391
Gregory Brown	\$33,863.01	94,064	47,032
George W. & Elizabeth Race	\$28,006.85	77,797	38,898
Gregory E. Wolski	\$11,227.40	31,187	15,594
T.J. Sharp	\$44,898.48	124,718	62,359
Tim Glass	\$16,684.92	46,347	23,174
Kristine Holland	\$10,000.00	27,778	13,889
Carl Kleinmann	\$11,232.72	31,202	15,601
Wayne Parkman	\$111,588.84	309,969	154,985
Paul Foreman	\$115,315.07	320,320	160,160
Gene Paul Conrad	\$20,301.12	56,392	14,098
Robert Allison	\$103,000.00	286,111	71,528
Celia Martin	\$22,399.92	62,222	31,111
Richard L. Hunter Jr.	\$56,000.16	155,556	77,778
Michael & Kimberly Kline	\$27,862.92	77,397	38,699
Dorchie Ferrell	\$55,917.72	155,327	77,664
John B. Hall	\$28,109.52	78,082	39,041
Robert Allison	\$110,575.44	307,154	153,577
Don & Alice Frenk	\$30,387.95	84,411	42,205
Sherry Ellenbogen	\$56,205.48	156,126	78,063
Richard D. Gift	\$28,006.85	77,797	38,898
Eric Sutherland	\$27,794.52	77,207	38,604
Ron Bowling	\$56,054.79	155,708	77,854
Michael McAuliffe	\$43,459.69	120,721	60,361
M. Marcus Malinak	\$21,590.02	59,972	29,986
Michael Craddock	\$56,465.75	156,849	78,425
Renata I. Krajnik	\$11,435.62	31,766	15,883
Greg W. Sparks	\$85,726.03	238,128	119,064

ANNEX A

NOTICE OF EXERCISE

(To be executed upon partial or full
exercise of this Warrant)

The undersigned hereby irrevocably elects to exercise the right to purchase shares of Common Stock of Vincera, Inc. covered by this Warrant according to the conditions hereof and herewith makes payment of the Exercise Price of such shares in full in the amount of \$_____.

By:

(Signature of Registered Holder)

Dated:

A-1

ANNEX B

ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned registered owner of this Warrant hereby sells, assigns and transfers unto the Assignee named below all of the rights of the undersigned under this Warrant, with respect to the number of shares of Common Stock set forth below:

<u>Name and Address of Assignee</u>	<u>No. of Shares of Common Stock</u>

and does hereby irrevocably constitute and appoint _____ attorney-in-fact to register such transfer onto the books of Vincera, Inc. maintained for the purpose, with full power of substitution in the premises.

~~Date~~ Name:

Signature:
Witness:

NOTICE: The signature on this assignment must correspond with the name as written upon the face of this Warrant in every particular, without alteration or enlargement or any change whatsoever.