

Delaware

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The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "IVY HOLDINGS INC.", FILED IN THIS OFFICE ON THE FOURTEENTH DAY OF DECEMBER, A.D. 2010, AT 10:29 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

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You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 8425111

DATE: 12-14-10

CIH-008637

IVY HOLDINGS INC.

**CERTIFICATE OF DESIGNATIONS, PREFERENCES
AND RELATIVE, PARTICIPATING, OPTIONAL
AND OTHER SPECIAL RIGHTS OF
13.5% SENIOR REDEEMABLE EXCHANGEABLE CUMULATIVE PREFERRED STOCK**

Pursuant to Section 151 of the
General Corporation Law of the State of Delaware

Ivy Holdings Inc. (the "**Company**"), a corporation organized and existing under the General Corporation Law of the State of Delaware, does hereby certify that, pursuant to authority conferred upon the board of directors of the Company (the "**Board of Directors**") by its Certificate of Incorporation (the "**Certificate of Incorporation**"), and pursuant to the provisions of Section 151 of the General Corporation Law of the State of Delaware, the Board of Directors, by unanimous written consent dated as of December 14, 2010, duly approved and adopted the following resolution (the "**Resolution**"):

RESOLVED, that, pursuant to the authority vested in the Board of Directors by its Certificate of Incorporation, the Board of Directors does hereby create, authorize and provide for the issuance of the 13.5% Senior Redeemable Exchangeable Cumulative Preferred Stock (the "**Senior Preferred Stock**"), par value \$0.01 per share, with a liquidation preference of \$1,000.00 per share as of the date of issue, consisting of 100,000 authorized shares, to have the powers, designations and preferences, the relative, participating, optional and other special rights and the qualifications, limitations and restrictions thereof that are set forth in the Certificate of Incorporation and in this Resolution as follows:

**DESIGNATIONS OF THE COMPANY'S 13.5% SENIOR REDEEMABLE EXCHANGEABLE
CUMULATIVE PREFERRED STOCK**

Capitalized terms used in this Certificate of Designations and not expressly defined in the text shall have the meanings set forth in Section 13 of this Certificate of Designations.

1. Designations.

There is hereby created out of the authorized and unissued shares of Preferred Stock of the Company a series of Preferred Stock designated as the "**13.5% Senior Redeemable Exchangeable Cumulative Preferred Stock**". The number of authorized shares constituting such series shall be 100,000 shares of Senior Preferred Stock. The liquidation preference of the Senior Preferred Stock shall be \$1,000.00 per share as of the Preferred Stock Issue Date.

2. Rank.

The Senior Preferred Stock shall, with respect to dividend distributions and distributions upon the liquidation, winding up or dissolution of the Company, rank senior to all classes of Common

Stock of the Company and to each other class of Capital Stock or series of Preferred Stock now or hereafter created by the Board of Directors, the terms of which do not expressly provide that it ranks senior to or on a parity with the Senior Preferred Stock as to dividend distributions and distributions upon the liquidation, winding up or dissolution of the Company (collectively referred to with the Common Stock of the Company as “**Junior Securities**”). The Senior Preferred Stock shall, with respect to dividend distributions and distributions upon the liquidation, winding up or dissolution of the Company, rank on a parity with any class of Capital Stock or series of Preferred Stock hereafter created which expressly provides that it ranks on a parity with the Senior Preferred Stock as to dividend distributions and distributions upon the liquidation, winding up or dissolution of the Company (“**Parity Securities**”); provided, that any such Parity Securities that were not (but were required to be) approved by the Holders of shares of Senior Preferred Stock in accordance with Section 6(b)(i) hereof shall be deemed to be Junior Securities and not Parity Securities. The Senior Preferred Stock shall, with respect to dividend distributions and distributions upon the liquidation, winding up or dissolution of the Company, rank junior to each class of Capital Stock or series of Preferred Stock now or hereafter created which has been approved by the Holders of shares of Senior Preferred Stock in accordance with Section 6(b)(ii) hereof and which expressly provides that it ranks senior to the Senior Preferred Stock as to dividend distributions and distributions upon the liquidation, winding up or dissolution of the Company (collectively referred to as “**Senior Securities**”).

3. Dividends.

(a) Beginning on the Preferred Stock Issue Date, the Holders of the outstanding shares of Senior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds legally available therefor, distributions in the form of cash dividends on each share of Senior Preferred Stock, at a rate *per annum* equal to 13.5% of the liquidation preference as of the first day of the applicable Dividend Period (as such liquidation preference may be adjusted from time to time as hereinafter provided) per share of the Senior Preferred Stock, payable or compounded quarterly. Dividends on the Senior Preferred Stock shall accrue on a daily basis from the Preferred Stock Issue Date and are cumulative from such date whether or not the Company has earnings or profits, there are funds legally available for the payment of such dividends, the Company has sufficient cash, or dividends are declared. Accumulated unpaid dividends will accrue dividends, payable quarterly, at a rate *per annum* equal to 13.5% of the amount of such accumulated unpaid dividends. Each distribution shall be payable to the Holders of shares of Senior Preferred Stock of record as they appear on the stock books of the Company on such record dates, not less than 10 nor more than 45 days preceding the related Dividend Payment Date, as shall be fixed by the Board of Directors from time to time. Dividends shall cease to accumulate in respect of shares of the Senior Preferred Stock on the date of their redemption unless the Company shall have failed to pay the relevant redemption price on the date fixed for redemption. Not more than 30 days after a Dividend Payment Date, written notice of the amount of the dividend per share paid or accumulated shall be given by first-class mail, postage prepaid, to each Holder of shares of Senior Preferred Stock of record, on the record date fixed by the Board of Directors for payment of such dividend or, if no record date was fixed, the Dividend Payment Date, at such Holder’s address as the same appears on the stock books of the Company.

(b) All dividends paid with respect to shares of the Senior Preferred Stock pursuant to Section 3(a) hereof shall be paid *pro rata* to the Holders thereof entitled thereto.

(c) Dividends in connection with any optional redemption pursuant to Section 5(a) hereof may be declared and paid at any time, without reference to any regular Dividend Payment Date, to Holders of shares of Senior Preferred Stock of record on such date not more than 45 days prior to the payment thereof, as may be fixed by the Board of Directors.

(d) No full dividends shall be declared by the Board of Directors or paid or funds set apart for payment of dividends by the Company on any Parity Securities for any period unless full cumulative dividends shall have been or contemporaneously are declared and paid in full, or declared and (in the case of dividends payable in cash) a sum in cash is set apart sufficient for such payment, on the Senior Preferred Stock for all Dividend Periods terminating on or prior to the date of payment of such full dividends on such Parity Securities. If any dividends are not paid in full, as aforesaid, upon the shares of the Senior Preferred Stock and any other Parity Securities, all dividends declared upon shares of the Senior Preferred Stock and any other Parity Securities shall be declared *pro rata* based on the then relative liquidation preference of the Senior Preferred Stock and such Parity Securities. So long as any shares of the Senior Preferred Stock are outstanding, the Company shall not make any payment on account of, or set apart for payment money for a sinking or other similar fund for, the purchase, redemption or other retirement of, any Parity Securities or any warrants, rights, calls or options exercisable for or convertible into any Parity Securities, and shall not permit any corporation or other entity directly or indirectly controlled by the Company to purchase or redeem any Parity Securities or any such warrants, rights, calls or options unless full dividends determined in accordance herewith on the Senior Preferred Stock shall have been paid or contemporaneously are declared and paid in full.

(e) The Holders of shares of the Senior Preferred Stock shall be entitled to receive the dividends provided for in Section 3(a) hereof in preference to and in priority over any dividends upon any Junior Securities.

(f) So long as any shares of Senior Preferred Stock are outstanding, except pursuant to the Stockholders Agreement or pursuant to the Contribution Agreements (in the case of the Contribution Agreements, solely with respect to the issuance on the Closing Date of Common Stock of the Company), the Company shall not (1) declare, pay or set apart for payment any dividend on any Junior Securities or make any payment on account of, or set apart for payment money for a sinking or other similar fund for, the purchase, redemption or other retirement of, any Junior Securities or any warrants, rights, calls or options exercisable for or convertible into any Junior Securities (other than the repurchase, redemption or other acquisition or retirement for value of Junior Securities solely in exchange for Junior Securities and other than the repurchase, redemption or other acquisition or retirement for value of Junior Securities (and any warrants, rights, calls or options exercisable for or convertible into such Junior Securities) held by employees of or consultants or advisors to the Company or any of its Subsidiaries, which repurchase, redemption or other acquisition or retirement shall have been approved by a majority of the Board of Directors), or (2) make any distribution in respect of any Junior Securities or any warrants, rights, calls or options exercisable for or convertible into any Junior Securities, either directly or indirectly, and whether in cash, obligations or shares of the Company or other property (other than distributions or dividends in Junior Securities to the holders of Junior Securities), or (3) permit any corporation or other entity directly or indirectly controlled by the Company to purchase or redeem any Junior Securities or any such warrants, rights, calls or options, unless, in any such case, full cumulative dividends determined in accordance herewith have been paid in full in cash on the Senior Preferred Stock (such payment to be deemed to have been made in cash for purposes of this provision even if dividends had theretofore been paid by increasing the then liquidation preference of the Senior Preferred Stock if (x) there are no arrears in the payment of dividends on the Senior Preferred Stock for any past Dividend Period and (y) the aggregate liquidation preference then in effect of all outstanding shares of Senior Preferred Stock does not exceed the initial aggregate liquidation preference for such shares) and all other redemption or repayment obligations in respect of the Senior Preferred Stock have been paid in full in cash.

(g) Dividends payable on shares of the Senior Preferred Stock for any year shall be computed on the basis of a 360-day year of twelve 30-day months, and dividends payable on shares of the Senior Preferred Stock for any period less than a year shall be computed on the basis of a 360-day year of

twelve 30-day months and the actual number of days elapsed in the period for which payable. If any Dividend Payment Date occurs on a day that is not a Business Day, any accrued dividends otherwise payable on such Dividend Payment Date shall be paid on the next succeeding Business Day.

4. Liquidation Preference.

(a) Subject to the priority of any Senior Securities, upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, the Holders of shares of Senior Preferred Stock then outstanding shall be entitled to be paid, out of the assets of the Company available for distribution to its stockholders, (i) \$1,000.00 per share of Senior Preferred Stock plus (ii) an amount equal to (A) all accumulated and unpaid dividends in respect of the Senior Preferred Stock (rounded to the nearest \$0.01), plus (B) dividends accrued on accumulated unpaid dividends as provided in Section 3(a) hereof plus (C) any accrued and unpaid dividends for the current Dividend Period (including an amount equal to a prorated dividend for the period from the Dividend Payment Date immediately prior to the date fixed for liquidation, dissolution or winding up to the date fixed for liquidation, dissolution or winding up) (collectively, the “**liquidation preference**”), before any payment shall be made or any assets distributed to the holders of any Junior Securities, including Common Stock of the Company. In connection with any redemption of Senior Preferred Stock under Section 5, clause (ii)(C) of the term “liquidation preference” as used in such Section 5 shall instead mean and include any accrued dividends for the current Dividend Period (including an amount equal to a prorated dividend for the period from the Dividend Payment Date immediately prior to the Redemption Date, to the Redemption Date). Except as provided in the first sentence of this Section 4(a), the Holders of shares of Senior Preferred Stock shall not be entitled to any distribution in the event of liquidation, dissolution or winding up of the affairs of the Company. If the assets of the Company are not sufficient to pay in full the liquidation payments payable to the Holders of outstanding shares of the Senior Preferred Stock and the holders of all outstanding Parity Securities, then the holders of all such shares shall share equally and ratably in such distribution of assets of the Company in accordance with the amounts which would be payable on such distribution if the amount to which the Holders of outstanding shares of Senior Preferred Stock and the holders of outstanding shares of all Parity Securities are entitled were paid in full.

(b) For the purposes of this Section 4, neither the consolidation nor merger of the Company with or into one or more corporations or other entities shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Company.

5. Redemption.

(a) Optional Redemption.

(i) The Company may (subject to contractual and other restrictions with respect thereto, including restrictions imposed by the Bank Facility, and the legal availability of funds therefor), at the option of the Company, redeem at any time or from time to time, from any source of funds legally available therefor, in whole or in part, in the manner provided in Section 5(c) hereof, any or all of the shares of the Senior Preferred Stock then outstanding, at a redemption price equal to, for any redemption occurring during the applicable period set forth below, the percentage of the aggregate liquidation preference (as then in effect) per share, in each case, set forth opposite such applicable period:

<u>Year</u>	<u>Redemption Price</u>
December 15, 2010 – December 14, 2011	107%
December 15, 2011 - December 14, 2012	106%
December 15, 2012 - December 14, 2013	105%
December 15, 2013 - December 14, 2014	104%
December 15, 2014 - December 14, 2015	103%
2015 and thereafter	100%

- (ii) In the event of a redemption pursuant to Section 5(a) hereof of only a portion of the then outstanding shares of the Senior Preferred Stock, the Company shall effect such redemption, *pro rata* according to the number of shares held by each Holder of shares of Senior Preferred Stock.

(b) Procedures for Redemption.

- (i) At least 15 days and not more than 60 days prior to the date fixed for any redemption of the Senior Preferred Stock, written notice (the “**Redemption Notice**”) shall be given by first-class mail, postage prepaid, to each Holder of shares of Senior Preferred Stock to be redeemed, at such Holder’s address as the same appears on the stock register of the Company; provided, that no failure to give such notice nor any deficiency therein shall affect the validity of the procedure for the redemption of any shares of Senior Preferred Stock to be redeemed except as to the Holder or Holders to whom the Company has failed to give said notice or except as to the Holder or Holders whose notice was defective. The Redemption Notice shall state: (1) the redemption price; (2) whether all or less than all of the outstanding shares of the Senior Preferred Stock are to be redeemed and the total number of shares of the Senior Preferred Stock being redeemed; (3) the number of shares of Senior Preferred Stock held by the Holder that the Company intends to redeem; (4) the date fixed for redemption; (5) that the Holder is to surrender to the Company, at the place or places where certificates for shares of Senior Preferred Stock are to be surrendered for redemption, in the manner and at the place designated, such Holder’s certificate or certificates representing the shares of Senior Preferred Stock to be redeemed; and (6) that dividends on the shares of the Senior Preferred Stock to be redeemed shall cease to accrue on and after such Redemption Date unless the Company defaults in the payment in full of the redemption price. A Redemption Notice may not be conditional without the consent of the holders of at least a majority of the outstanding shares of Senior Preferred Stock.
- (ii) Each Holder of shares of Senior Preferred Stock shall surrender to the Company the certificate or certificates representing its shares of Senior Preferred Stock to be redeemed, duly endorsed, in the manner and at the place designated in the Redemption Notice, and on the Redemption Date the full redemption price for such shares shall be payable in cash to the Person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be canceled and retired. In the event that less than all of the shares represented by any

such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

- (iii) Unless the Company defaults in the payment in full of the redemption price, dividends on the shares of Senior Preferred Stock called for redemption shall cease to accumulate on the Redemption Date, and the Holders of such shares shall cease to have any further rights with respect thereto on the Redemption Date, other than the right to receive the redemption price, without interest.

6. Voting Rights.

(a) The Holders of shares of the Senior Preferred Stock, except as otherwise required under Delaware law, other applicable law or as set forth in Section 6(b) below, shall not be entitled or permitted to vote on any matter required or permitted to be voted upon by the stockholders of the Company.

- (b) (i) So long as any shares of the Senior Preferred Stock are outstanding, the Company shall not authorize or issue any class or series of Parity Securities without the affirmative vote or consent of the Holders of at least a majority of the outstanding shares of Senior Preferred Stock, voting or consenting, as the case may be, separately as one class, given in person or by proxy, either in writing or by resolution adopted at an annual or special meeting, except that without the approval of Holders of shares of Senior Preferred Stock, the Company may authorize and issue shares of Parity Securities the proceeds of which are used to redeem or repurchase, all shares of Senior Preferred Stock then outstanding.
- (ii) So long as any shares of the Senior Preferred Stock are outstanding, the Company shall not authorize or issue any class or series of Senior Securities without the affirmative vote or consent of the Holders of at least a majority of the outstanding shares of Senior Preferred Stock, voting or consenting, as the case may be, separately as one class, given in person or by proxy, either in writing or by resolution adopted at an annual or special meeting.
- (iii) So long as any shares of the Senior Preferred Stock are outstanding, the Company shall not, without the affirmative vote or consent of the Holders of at least a majority of the outstanding shares of Senior Preferred Stock, voting or consenting, as the case may be, separately as one class, given in person or by proxy, either in writing or by resolution adopted at an annual or special meeting, amend, alter or repeal (whether by merger, consolidation or otherwise) any of the provisions of the Certificate of Incorporation of the Company or of any certificate amendatory thereof or supplemental thereto so as to (1) affect adversely any of the preferences, rights, powers or privileges of the Senior Preferred Stock or of the holders thereof as such or (2) authorize the issuance after the Closing Date of any additional shares of Senior Preferred Stock.

- (iv) So long as any shares of the Senior Preferred Stock are outstanding, the Company shall not, without the affirmative vote or consent of the Holders of at least a majority of the outstanding shares of Senior Preferred Stock, voting or consenting, as the case may be, as a single class, given in person or by proxy, either in writing or by resolution adopted at an annual or special meeting, amend or modify (whether by merger, consolidation or otherwise) any of the provisions of the Series A Junior Subordinated Debenture or of any amendment or supplement thereto so as to affect adversely any of the preferences, rights, powers or privileges of the Series A Junior Subordinated Debentures or of the holders thereof as such.
- (v) The affirmative vote or consent of the Holders of at least a majority of the outstanding shares of Senior Preferred Stock, voting or consenting, as the case may be, separately as one class, whether voting in person or by proxy, either in writing or by resolution adopted at an annual or special meeting, may waive compliance with any provision of this Certificate of Designations.
- (vi) Except as set forth in Sections 6(b)(i) and 6(b)(ii) above or in clause (2) of Section 6(b)(iii) above, (1) the creation, authorization or issuance of any shares of any Junior Securities, Parity Securities or Senior Securities, or (2) the increase or decrease in the amount of authorized capital stock of any class or series, including Senior Preferred Stock or any other series of Preferred Stock, shall not require the consent of the Holders of Senior Preferred Stock and shall not, unless not complying with Sections 6(b)(i) or 6(b)(ii) hereof or clause (2) of Section 6(b)(iii) above, be deemed to affect adversely the rights, preferences, privileges or voting rights of the Holders of shares of Senior Preferred Stock.
- (vii) The Company shall not amend or modify any of the provisions of the Certificate of Incorporation of the Company or of any certificate amendatory thereof or supplemental thereto so as to affect adversely any of the preferences, rights, powers or privileges of the Senior Preferred Stock, or waive compliance with any provision of this Certificate of Designations, unless such amendment, modification or waiver applies identically to all shares of Senior Preferred Stock.

(c) In any case in which the Holders of shares of the Senior Preferred Stock shall be entitled to vote pursuant to this Section 6 or pursuant to Delaware law or other applicable law, each Holder of shares of the Senior Preferred Stock shall be entitled to one vote for each share of Senior Preferred Stock held.

7. Exchange.

(a) Conditions.

- (i) Subject to contractual and other restrictions with respect thereto, including restrictions imposed by any credit or other financing agreement to which the Company is a party, the Company may, with the consent of the Holders of at least a majority of the outstanding shares of Senior

Preferred Stock, on any Dividend Payment Date (herein the “Exchange Date”), require the Holders to exchange all, but not less than all, of the then outstanding shares of Senior Preferred Stock for Series A Junior Subordinated Debentures. To effect an exchange of Senior Preferred Stock for Series A Junior Subordinated Debentures, the Company shall send a written notice (the “Exchange Notice”) of exchange by first-class mail to each Holder of shares of Senior Preferred Stock, which notice shall state: (v) that the Company has elected to issue Series A Junior Subordinated Debentures in exchange for the Senior Preferred Stock pursuant to this Section 7; (w) the Exchange Date, which shall be the next succeeding Dividend Payment Date and shall not be less than 20 days following the date on which the Exchange Notice is mailed; (x) that the Holder is to surrender to the Company, at the place or places where certificates for shares of Senior Preferred Stock are to be surrendered for exchange, in the manner designated in the Exchange Notice, such Holder’s certificate or certificates representing the shares of Senior Preferred Stock to be exchanged (properly endorsed or assigned for transfer); (y) that dividends on the shares of Senior Preferred Stock to be exchanged shall cease to accrue, and the Holders of such shares shall cease to have any further rights with respect to such shares (other than the right to receive Series A Junior Subordinated Debentures), on the Exchange Date whether or not certificates for shares of Senior Preferred Stock are surrendered for exchange on the Exchange Date unless the Company shall default in the delivery of Series A Junior Subordinated Debentures; and (z) that interest on the Series A Junior Subordinated Debentures shall accrue from and after the Exchange Date whether or not certificates for shares of Senior Preferred Stock are surrendered for exchange on the Exchange Date. On the Exchange Date, if the conditions set forth in clauses (1) through (3) below are satisfied, the Company shall issue Series A Junior Subordinated Debentures in exchange for the Senior Preferred Stock as provided in the next paragraph; provided, that on the Exchange Date: (1) there shall be legally available funds sufficient therefor (including legally available funds sufficient therefor under Sections 160 and 170 (or any successor provisions) of the Delaware General Corporation Law); (2) either (a) a registration statement relating to the Series A Junior Subordinated Debentures shall have been declared effective under the Securities Act prior to such exchange and shall continue to be in effect on the Exchange Date or (b)(i) the Company shall have obtained a written opinion of counsel that an exemption from the registration requirements of the Securities Act is available for such exchange and that upon receipt of such Series A Junior Subordinated Debentures pursuant to such exchange made in accordance with such exemption, the holders (assuming such holder is not an Affiliate of the Company) thereof will not be subject to any restrictions imposed by the Securities Act upon the resale thereof and (ii) such exemption is relied upon by the Company for such exchange; and (3) immediately after giving effect to such exchange, no Default or Event of Default (each as defined in the Series A Junior Subordinated Debentures) would exist under the Series A Junior Subordinated Debentures.

In the event that the issuance of the Series A Junior Subordinated Debentures is not permitted on the Exchange Date set forth in the Exchange Notice, or any of the conditions set forth in clauses (1) through (3) of the preceding sentence are not satisfied on the Exchange Date set forth in the Exchange Notice, the Exchange Date shall be deemed to be the first Business Day thereafter, if any, upon which all of such conditions are satisfied.

- (ii) Upon any exchange pursuant to Section 7(a)(i) hereof, each Holder of outstanding shares of Senior Preferred Stock shall be entitled to receive Series A Junior Subordinated Debentures in a principal amount equal to the sum of the aggregate liquidation preference (as of the Exchange Date) of such Holder's shares of Senior Preferred Stock; provided, that the Company may pay cash in lieu of issuing a Series A Junior Subordinated Debenture in a principal amount of less than \$1,000.00.

(b) Procedure for Exchange.

- (i) On or before the Exchange Date, each Holder of shares of Senior Preferred Stock shall surrender the certificate or certificates representing such shares of Senior Preferred Stock, in the manner and at the place designated in the Exchange Notice. The Company shall cause the Series A Junior Subordinated Debentures to be executed on the Exchange Date and, upon surrender in accordance with the Exchange Notice of the certificates for any shares of Senior Preferred Stock so exchanged (properly endorsed or assigned for transfer), such shares shall be exchanged by the Company for Series A Junior Subordinated Debentures. The Company shall pay interest on the Series A Junior Subordinated Debentures at the rate and on the dates specified therein from and after the Exchange Date.
- (ii) Subject to the conditions set forth in Section 7(a) hereof, as of the Exchange Date the rights of the Holders of shares of the Senior Preferred Stock as stockholders of the Company shall cease (except the right to receive Series A Junior Subordinated Debentures), and the Person or Persons entitled to receive the Series A Junior Subordinated Debentures issuable upon exchange shall be treated for all purposes as the registered Holder or Holders of such Series A Junior Subordinated Debentures as of the date of exchange without any further action of the Holders of shares of Senior Preferred Stock.

8. Reports.

So long as any shares of Senior Preferred Stock are outstanding, the Company shall furnish to each Holder of shares of Senior Preferred Stock (at such Holder's address as the same appears on the stock register of the Company): (a) as soon as available, but in any event within 105 days after the end of each fiscal year of the Company, a copy of the audited consolidated balance sheet of the Company and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, reported on without any qualification arising out of the scope of the audit, by the Company's independent certified public accountants; and (b) as soon as available, but in any event not later than 60 days after the end of each of the first three quarterly periods of each fiscal

year of the Company, the unaudited consolidated balance sheet of the Company and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, certified by the Chief Executive Officer, the President, or the Chief Financial Officer of the Company as being fairly stated in all material respects (subject to normal year-end audit adjustments). All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

9. Preemptive Rights.

No shares of Senior Preferred Stock shall have any rights of preemption whatsoever hereunder as to any securities of the Company, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities or such warrants, rights or options may be designated, issued or granted.

10. Conversion.

No shares of Senior Preferred Stock shall be convertible into Common Stock of the Company or any other securities convertible or exchangeable into Common Stock of the Company.

11. Reissuance of Senior Preferred Stock.

Shares of Senior Preferred Stock that have been issued and reacquired by the Company in any manner, including shares purchased, redeemed or exchanged, shall (upon compliance with any applicable provisions of the laws of Delaware) have the status of authorized but unissued shares of Preferred Stock of the Company undesignated as to series and, subject to the provisions of Sections 6(b)(i) and 6(b)(ii) hereof and clause (2) of Section 6(b)(iii) hereof, may be designated or redesignated and issued or reissued, as the case may be, as part of any series of Preferred Stock of the Company; provided, that such shares may not in any event be reissued as Senior Preferred Stock.

12. Business Day.

If any payment, redemption or exchange shall be required by the terms hereof to be made on a day that is not a Business Day, such payment, redemption or exchange shall be made on the immediately succeeding Business Day.

13. Definitions and Interpretation.

(a) Definitions. As used in this Resolution, the following terms shall have the following meanings, unless the context otherwise requires:

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract, or otherwise.

“Beneficial Owner” or **“beneficial owner”** has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Preferred Stock Issue Date), whether or not applicable.

“Board of Directors” means the Board of Directors of the Company.

“Business Day” means any day other than a Legal Holiday.

“Capital Stock” means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person and (ii) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person.

“Certificate of Incorporation” means the Company’s Certificate of Incorporation.

“Closing Date” has the meaning attributed to such term in the Merger Agreement.

“Common Stock” means, of any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or nonvoting) of such Person’s common stock, and includes, without limitation, all series and classes of such common stock.

“Company” means Ivy Holdings Inc., a Delaware corporation.

“Contribution Agreements” means the (i) Contribution and Subscription Agreement, dated as of August 16, 2010 by and among the Company and each of the Investors (as defined therein), as may be amended from time to time and (ii) each of the Contribution and Subscription Agreements, each dated as of November 1, 2010, by and among the Company and each of the Investors (as defined therein), as may be amended from time to time.

“Dividend Payment Date” means January 1, April 1, July 1, and October 1 of each year following the Preferred Stock Issue Date.

“Dividend Period” means the Initial Dividend Period and, thereafter, each Quarterly Dividend Period.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“Exchange Date” has the meaning set forth in Section 7(a)(i) hereof.

“Exchange Notice” has the meaning set forth in Section 7(a)(i) hereof.

“GAAP” means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other statements by such other entity as approved by a significant segment of the accounting profession in the United States.

“Holder” means a Person in whose name a share of Senior Preferred Stock is registered.

“Initial Dividend Period” means the dividend period commencing on the Preferred Stock Issue Date and ending on the day before the first Dividend Payment Date to occur thereafter.

“Junior Securities” has the meaning set forth in Section 2 hereof.

“Legal Holiday” means a Saturday, a Sunday or a day on which banking institutions in the City of New York are authorized by law, regulation or executive order to remain closed.

“liquidation preference” has the meaning set forth in Section 4(a) hereof.

“Merger Agreement” means the Agreement and Plan of Merger, dated as of August 16, 2010, by and among the Company, Ivy Merger Sub Corp. and Prospect Medical Holdings, Inc., as may be amended from time to time.

“Parity Securities” has the meaning set forth in Section 2 hereof.

“Person” means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof or other entity.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

“Preferred Stock Issue Date” means the first date on which shares of Senior Preferred Stock are originally issued by the Company.

“Quarterly Dividend Period” means the quarterly period commencing on each January 1, April 1, July 1 and October 1 and ending on the day before the following Dividend Payment Date.

“Redemption Date” with respect to any shares of Senior Preferred Stock, means the date on which such shares of Senior Preferred Stock are redeemed by the Company.

“Redemption Notice” has the meaning set forth in Section 5(b)(i) hereof.

“Resolution” means this resolution adopted and approved by the Board of Directors dated as of December 14, 2010 authorizing the Senior Preferred Stock.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“Senior Preferred Stock” means the Company’s 13.5% Senior Redeemable Exchangeable Cumulative Preferred Stock.

“Senior Securities” has the meaning set forth in Section 2 hereof.

“Series A Junior Subordinated Debentures” means the Company’s 13.5% Series A Junior Subordinated Debentures due 2015 having economic terms substantially equivalent to the terms of

the Senior Preferred Stock, with such other terms that shall be agreed upon by the Company and the Holders of at least a majority of the outstanding shares of Senior Preferred Stock.

“Stockholders Agreement” means the Stockholders Agreement, dated as of the Closing Date, among the Company and the stockholders party thereto, as the same may be amended from time to time.

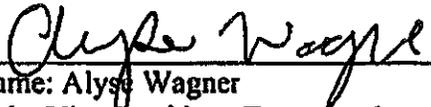
“Subsidiary” with respect to any Person, means (i) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person; or (ii) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

“Voting Equity Interests” means Capital Stock, or warrants, options or other rights to acquire such Capital Stock, which at the time are entitled to vote in the election of, as applicable, directors, members or partners generally.

(b) **Interpretation.** For the purposes of this Certificate of Designations: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the word “including” and words of similar import shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified, and (iii) the word “hereof” and words of similar import shall mean this Certificate of Designations.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed on the date first written above.

IVY HOLDINGS INC.

By: 
Name: Alyse Wagner
Title: Vice President, Treasurer &
Secretary