

APR. 18. 2007 3:10PM ions

NO 552 j 1/18 F1

P010000/40313

Florida Department of State
Division of Corporations
Public Access System

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H07000103209 3)))



H070001032093ABCW

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850) 205-0380

From:

Account Name : CORPORATION SERVICE COMPANY
Account Number : I20000000195
Phone : (850) 521-1000
Fax Number : (850) 558-1575

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2007 APR 18 AM 10:21

COR AMND/RESTATE/CORRECT OR O/D RESIGN

PIZZA FUSION HOLDINGS, INC.

Certificate of Status	0
Certified Copy	0
Page Count	18
Estimated Charge	\$35.00

RECEIVED

07 APR 18 AM 8:00

DIVISION OF CORPORATIONS

AZH

8560773

Electronic Filing Menu

Corporate Filing Menu

Help

Ps 4/19/07
Amend

APR. 18. 2007 3:11PM

C S C

FILED
SECRETARY OF STATE P. 2/18
DIVISION OF CORPORATIONS
2007 APR 18 AM 10:21

Articles of Amendment
to
Articles of Incorporation
of

Pizza Fusion Holdings, Inc.

(Name of corporation as currently filed with the Florida Dept. of State)

P08000140313

(Document number of corporation (if known))

Pursuant to the provisions of section 607.1006, Florida Statutes, this *Florida Profit Corporation* adopts the following amendment(s) to its Articles of Incorporation:

NEW CORPORATE NAME (if changing):

(Must contain the word "corporation," "company," or "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.")
(A professional corporation must contain the word "chartered," "professional association," or the abbreviation "P.A.")

AMENDMENTS ADOPTED- (OTHER THAN NAME CHANGE) Indicate Article Number(s) and/or Article Title(s) being amended, added or deleted: **(BE SPECIFIC)**

Correction in spelling of President's name to Lazar, Vaughan.

Also, see Articles of Amendment attached.

(Attach additional pages if necessary)

If an amendment provides for exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself: (if not applicable, indicate N/A)

Please see attached.

(continued)

The date of each amendment(s) adoption: MARCH 30, 2007

Effective date if applicable: _____
(no more than 90 days after amendment file date)

Adoption of Amendment(s) **(CHECK ONE)**

☒ The amendment(s) was/were approved by the shareholders. The number of votes cast for the amendment(s) by the shareholders was/were sufficient for approval.

☐ The amendment(s) was/were approved by the shareholders through voting groups. The following statement must be separately provided for each voting group entitled to vote separately on the amendment(s):

"The number of votes cast for the amendment(s) was/were sufficient for approval by _____"
(voting group)

☐ The amendment(s) was/were adopted by the board of directors without shareholder action and shareholder action was not required.

☐ The amendment(s) was/were adopted by the incorporators without shareholder action and shareholder action was not required.

Signature _____

(By a director, president or other officer - if directors or officers have not been selected, by an incorporator - if in the hands of a receiver, trustee, or other court appointed fiduciary by that fiduciary)

Randy Romano

(Typed or printed name of person signing)

Secretary

(Title of person signing)

FILING FEE: \$35

ATTACHMENT TO ARTICLES OF AMENDMENT
OF
PIZZA FUSION HOLDINGS, INC.
(THE "CORPORATION")

Article IV of the Articles of Incorporation of the Corporation is amended in its entirety with the following:

PARAGRAPH 1

A. AUTHORIZED STOCK.

The total number of shares of all classes of stock that the Corporation is authorized to issue is Eleven Million One Hundred Twenty Five Thousand (11,125,000) shares, consisting of Ten Million (10,000,000) shares of Common Stock, par value of \$0.001 per share ("Common Stock") and One Million One Hundred Twenty Five Thousand (1,125,000) shares of Series A Convertible Preferred Stock, par value of \$0.001 per share (the "Series A Preferred Stock"). The original issuance price of the Series A Preferred Stock shall be \$2.00 per share (the "Original Series A Issue Price").

B. RIGHTS, PREFERENCES, PRIVILEGES AND RESTRICTIONS OF SERIES A PREFERRED STOCK AND COMMON STOCK.

The rights, preferences, privileges and restrictions granted to and imposed upon the Series A Preferred Stock and the Common Stock are set forth in this Article IV Paragraph 1 Division B.

1. Dividend Provisions.

(a) Common Stock. Except as otherwise provided by law or these Articles of Incorporation, the holders of Common Stock shall be entitled to receive dividends at such times and in such amounts as may be determined by the Board of Directors of the Corporation. No dividend shall be declared or paid on the Common Stock unless all declared and unpaid dividends on the Series A Preferred Stock are paid

(b) Except as otherwise provided by law or these Articles of Incorporation, the holders of Series A Preferred Stock shall be entitled to receive dividends at such times and in such amounts as may be determined by the Board of Directors of the Corporation. No dividend shall be declared or paid on the Common Stock unless an equivalent dividend is declared and paid on the Series A Preferred Stock on an as-converted basis and unless all declared and unpaid dividends on the Series A Preferred Stock are paid.

2. Liquidation.

(a) Preference. In the event of any liquidation, dissolution or winding up of the Corporation (each such event, a "Liquidation Event"), either voluntary or involuntary, the holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the Original Series A Issue Price (as adjusted for any stock splits, stock dividends, reverse stock splits, stock combinations and other similar capitalization changes) plus any declared and unpaid dividends on such Series A Preferred Stock (such sum, the "Liquidation Amount"). If upon the occurrence of a Liquidation Event, the assets and funds legally available for distribution to stockholders shall be insufficient to permit the payment to all holders of Series A Preferred Stock of the full Liquidation Amount, then the entire assets and funds of the Corporation legally available for distribution to stockholders shall be distributed ratably among the holders of Series A Preferred Stock based on the Liquidation Amount each such holder is otherwise entitled to receive.

(b) Other Distributions. After the payment of all Liquidation Amounts required to be paid to the holders of Series A Preferred Stock upon a Liquidation Event, the assets and funds of the Corporation remaining available for distribution to stockholders, if any, shall be distributed ratably among the holders of Common Stock and Series A Preferred Stock on an as-converted to Common Stock basis.

(c) Consolidation, Merger, Etc. (i) Any consolidation or merger of the Corporation with or into any other corporation or other entity or person, or any other corporate reorganization, in which the stockholders of the Corporation immediately prior to such consolidation, merger or reorganization, do not hold at least a majority of the resulting or surviving corporation's voting power immediately after such consolidation, merger or reorganization (solely in respect of their equity interests in this Corporation), (ii) the sale, lease, or other disposition of all or substantially all of the assets of the Corporation or (iii) a Sale of Voting Control (as defined below) (each, a "Change of Control Transaction") shall be deemed to be a Liquidation Event. "Sale of Voting Control" means the transfer by stockholders of the Corporation (in one or a series of related transactions) to one person or group of related persons of shares constituting not less than a majority of the outstanding voting capital stock of the Corporation.

(d) Consideration. If any of the assets of this Corporation are to be distributed under this Section 2 in a form other than cash, the value of such assets shall be the Fair Market Value (as defined below). Any securities shall be valued as follows:

(i) Securities not subject to investment letter or other similar restrictions on free marketability covered by (ii) below:

(A) If traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the 30 day period ending three days prior to the closing;

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

(C) If there is no active public market, the value shall be the Fair Market Value thereof.

For the purposes hereof, the "Fair Market Value" of any assets other than cash means the arms-length price that a willing buyer would pay a willing seller for such assets, each having reasonable knowledge of all relevant facts, and neither being under any compulsion to buy or to sell. Fair Market Value shall be determined jointly in good faith by the Corporation's Board of Directors and the holders of a majority of the issued and outstanding shares of Series A Preferred Stock (the "Majority Series A Stockholders"). If such parties are unable to reach agreement within a reasonable period of time, the Fair Market Value of such assets shall be determined by an independent appraiser experienced in valuing such type of assets jointly selected by the majority vote of Board of Directors of the Corporation and the Majority Series A Stockholders. The determination of such appraiser shall be final and binding upon the parties, and the fees and expenses of such appraiser shall be paid by the Corporation.

(ii) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (i) (A), (B) or (C) to reflect the Fair Market Value thereof.

(iii) The Corporation shall give each holder of record of Series A Preferred Stock written notice of the transaction which, if effected, will constitute a Liquidation Event or Change of Control Transaction not later than 20 days prior to the closing of such transaction, and shall also notify such holders in writing of the final approval of such transaction. The first notice shall describe the material terms and conditions of the pending transaction and the provisions of this Section 2(d). The Corporation shall thereafter give such holders prompt notice of any material changes in the terms of the pending transaction. The transaction shall in no event take place sooner than 20 days after the Corporation has given the first notice or sooner than 10 days after the Corporation has given notice of any material changes in the terms of such transaction. The requirements of this Section 2(d)(iii) may be waived as to all shares of Series A Preferred Stock (without the necessity of convening any meeting of stockholders) upon the written agreement of the Supermajority Series A Stockholders.

3. Conversion.

The holders of Series A Preferred Stock shall have the following conversion rights (the "Conversion Rights"):

(a) Right to Convert. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Series A Issue Price (as adjusted for any stock splits, stock dividends, reverse stock

splits, stock combinations and other similar capitalization changes) by the Conversion Price (as defined below) in effect at the time of conversion. The conversion price of Series A Preferred Stock (the "Conversion Price") shall initially be \$2.00 per share. The Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(b) Automatic Conversion. All shares of Series A Preferred Stock then outstanding shall automatically be converted into shares of Common Stock, at the then effective Conversion Price, upon (i) the vote or consent in writing of holders of at least 66-2/3% of the shares of Series A Preferred Stock then outstanding, voting or consenting separately as a class (the "Supermajority Series A Stockholders") that all of the Series A Preferred Stock shall be converted into shares of Common Stock, or (ii) upon the closing of the sale of shares of Common Stock in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), in which (A) the public offering price per share is at least three times the Original Series A Issue Price (as adjusted for any stock splits, stock dividends, reverse stock splits, stock combinations and other similar capitalization changes), and (B) the cash proceeds to the Corporation less the amount of brokers' commissions and expense allowances paid by the Corporation in connection with such offering are at least \$25,000,000 (a "Qualified Public Offering").

(c) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Series A Preferred Stock. In lieu of any fractional shares to which a holder would otherwise be entitled, the Corporation shall pay cash in an amount equal to the product (calculated to the nearest cent) of such fraction and the Fair Market Value of one share of Common Stock. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock that the holder is then converting into Common Stock and the number of shares of Common Stock issuable upon conversion of such shares of Series A Preferred Stock.

(d) Mechanics of Conversion.

(i) Upon conversion of a share of Series A Preferred Stock, any and all declared but unpaid dividends with respect to such share shall be paid in cash.

(ii) Except as provided in subparagraph (iii) below, in order for a holder of Series A Preferred Stock to convert shares of Series A Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates representing such shares of Series A Preferred Stock, at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any portion of the shares of the Series A Preferred Stock represented by such certificate or certificates. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or such holder's attorney duly authorized in writing. The date of receipt of such certificates and notice by the transfer agent (or by the Corporation if the

Corporation serves as its own transfer agent) shall be the conversion date ("Conversion Date"). If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act that is not a Qualified Public Offering, the conversion may, at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of the sale of securities. The Corporation shall, as soon as practicable after the Conversion Date, issue and deliver to the holder of such Series A Preferred Stock, or to such holder's nominees, a certificate or certificates representing the number of shares of Common Stock to which such holder is entitled upon conversion of such Series A Preferred Stock, together with cash in lieu of any fractional share as provided in Section 3(c) above and cash for payment of any declared but unpaid dividends as provided in Section 3(d)(i) above.

(iii) In the event of a conversion pursuant to Section 3(b) above, the outstanding shares of Series A Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agents. Such automatic conversion shall be deemed to have been made on the effective date of the applicable vote or written consent or immediately prior to the closing of the Qualified Public Offering, as the case may be, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date which date shall be the "Automatic Conversion Date." Immediately upon such automatic conversion, all shares of Series A Preferred Stock shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate, except only the right of the holders thereof, upon surrender of their certificate or certificates therefor, to receive certificates representing the number of shares of Common Stock into which such Series A Preferred Stock has been converted, together with cash in lieu of any fractional share, as provided in Section 3(c) above and cash for payment of any declared but unpaid dividends as provided in Section 3(d)(i) above. In the event that the automatic conversion of Series A Preferred Stock is pursuant to the vote or consent of the Supermajority Series A Stockholders, the Supermajority Series A Stockholders shall give written notice to the Corporation and to each other holder of Series A Preferred Stock (the "Supermajority Conversion Notice") promptly following the vote or consent, as applicable, that the shares of Series A Preferred Stock shall be converted to Common Stock. In the event that the automatic conversion of Series A Preferred Stock is in connection with a Qualified Public Offering, the Corporation shall give the holders of Series A Preferred Stock reasonable notice of, but in no event less than 45 business days prior to, the closing of the Qualified Public Offering (the "IPO Notice"). Following receipt of the IPO Notice, but in no event less than 15 business days prior to the closing of the Qualified Public Offering, the Supermajority Series A Stockholders shall give notice to the Corporation and each other holder of Series A Preferred Stock. Promptly following the date on which the Supermajority Series A Stockholders give the Supermajority Conversion Notice or at the closing of the Qualified Public Offering, as the case may be, each holder of Series A Preferred Stock shall surrender to the Corporation or its transfer agent the certificate(s) representing such holder's Series A Preferred Stock together with a notice that states such holder's name or the names of the nominees in

which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or such holder's attorney duly authorized in writing. The Corporation shall not be obligated to issue certificates representing the shares of Common Stock issuable upon such automatic conversion to a holder of Series A Preferred Stock, unless and until the certificates representing such shares of Series A Preferred Stock are either delivered by such holder to the Corporation or its transfer agent as provided above, or such holder notifies the Corporation or its transfer agent that such certificate or certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, including an indemnity bond in such amount as the Corporation deems appropriate in its discretion. As soon as practicable following the Automatic Conversion Date and the surrender by the holder of the certificate or certificates representing Series A Preferred Stock, the Corporation shall cause to be issued and delivered to such holder, or to such holder's nominees, a certificate or certificates representing the number of shares of Common Stock to which such holder is entitled upon conversion of such Series A Preferred Stock, together with cash in lieu of any fractional share as provided in Section 3(c) above and cash for payment of any declared but unpaid dividends as provided in Section 3(d)(i) above.

(iv) The Corporation shall at all times when shares of Series A Preferred Stock are outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Conversion Price.

(e) Adjustments to Conversion Price for Diluting Issuances.

(i) Special Definitions. For purposes of this Section 3(e), the following definitions shall apply:

(A) "Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(B) "Original Issue Date" shall mean the date on which the first share of Series A Preferred Stock was issued.

(C) "Convertible Securities" shall mean any evidence of indebtedness, shares or other securities directly or indirectly convertible into, or exercisable or exchangeable for, Common Stock.

(D) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Section 3(e)(iii) below, deemed to be issued) by the Corporation after the Original Issue Date, other than shares of Common Stock issued (or pursuant to Section 3(e)(iii) below, deemed to be issued) by the Corporation:

(I) upon the conversion of shares of Series A Preferred Stock or as a dividend or other distribution on Series A Preferred Stock;

(II) upon the conversion, exercise or exchange of Options and Convertible Securities outstanding on the Original Issue Date;

(III) in connection with the issuance of additional shares of Series A Preferred Stock and accompanying warrants exercisable for shares of Series A Preferred Stock (the "Warrants"), and the issuance of Series A Preferred Stock upon the exercise of such Warrants, provided that the aggregate amount of such Series A Preferred Stock and Warrants, together with the Series A Preferred Stock and Warrants issued on the Original Issue Date, shall not exceed 750,000 shares of Series A Preferred Stock and accompanying Warrants exercisable for 225,000 shares of Series A Preferred Stock;

(IV) in a transaction described in Sections 3(f), 3(g) or 3(h); or

(V) with respect to which the Supermajority Series A Stockholders have given their written consent to exclude such shares from such definition.

(ii) No Adjustment of Conversion Price. No adjustment in the number of shares of Common Stock into which the Series A Preferred Stock is convertible shall be made, by adjustment in the applicable Conversion Price thereof unless the consideration per share (determined pursuant to Section 3(e)(v) below) for an Additional Share of Common Stock issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to, the issuance of such Additional Shares of Common Stock.

(iii) Deemed Issuance of Additional Shares of Common Stock. If the Corporation at any time, or from time to time, after the Original Issue Date shall issue any Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto without regard to any provision contained therein designed to protect against dilution) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issuance, provided that in any such case in which Additional Shares of Common Stock are deemed to be issued:

(A) no further adjustment in the Conversion Price shall be made upon the subsequent issuance of Convertible Securities or shares of Common Stock upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(B) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Corporation, or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issuance thereof, and any subsequent adjustment based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(C) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price computed upon the original issuance thereof, and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if,

(I) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common Stock issued were the shares of Common Stock, if any, that were actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issuance of all such Options, whether or not exercised, plus the consideration actually received by the Corporation upon such exercise, or for the issuance of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

(II) in the case of Options for Convertible Securities, only the Convertible Securities, if any, that were actually issued upon the exercise thereof were issued at the time of issuance of such Options, and the consideration received by the Corporation for the Additional Shares of Common Stock deemed to have been then issued was the consideration actually received by the Corporation for the issuance of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Corporation upon the issuance of the Convertible Securities with respect to which such Options were actually exercised;

(D) no readjustment pursuant to clause (C) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price on the original adjustment date, or (ii) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date;

(E) in the case of any Options which expire by their terms not more than 90 days after the date of issuance thereof or in the case of any Option or Convertible Securities with respect to which the maximum number of shares of Common Stock issuable upon exercise or conversion or exchange thereof is not determinable, no adjustments of the Conversion Price shall be made until the expiration or exercise of all such Options issued on the same date, whereupon such adjustment shall be made in the manner provided in clause (C) above, or until such number becomes determinable, as applicable; and

(F) in the event of any change in the number of shares of Common Stock deliverable, in the consideration payable to this Corporation upon exercise of such Options or Convertible Securities or in the conversion rate, including, but not limited to, any changes under or by reason of provisions designed to protect against dilution, the Conversion Price in effect at the time of such event shall be readjusted to the Conversion Price which would have been in effect at such time had such Options or Convertible Securities to the extent then outstanding provided for such changed number of shares, consideration or conversion rate, as the case may be, at the time initially granted, issued or sold; provided that no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such Options or Convertible Securities; provided further no readjustment pursuant to this clause (F) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price on the original adjustment date, or (ii) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. Subject to the provisions of Section 3(e)(ii) above, in the event the Corporation shall at any time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 3(e)(iii)), without consideration or for a consideration per share less than the Conversion Price in effect on the date of and immediately prior to such issuance, then and in such event such Conversion Price shall be reduced, concurrently with such issuance, to the price (calculated to the nearest cent) equal to the consideration per share received (or deemed to be received) by the Corporation for the Additional Shares of Common Stock so issued. Notwithstanding the foregoing, the applicable Conversion Price shall not be so reduced at such time if the amount of such reduction would be an amount less than \$.01, but any such amount shall be carried forward and reduction with respect thereto made at the time of and together with any subsequent reduction which, together with such amount and any other amount or amounts so carried forward, shall aggregate \$.01 or more.

(v) Determination of Consideration. For purposes of this Section 3(e), the consideration received by the Corporation for the issuance of any Additional Shares of Common Stock shall be computed as follows:

(A) Cash and Property. Such consideration shall:

(I) insofar as it consists of cash, be the amount of cash received by the Corporation after deducting any underwriting or similar concessions, commissions or compensation paid or allowed by the Corporation, excluding amounts paid or payable for accrued interest or accrued dividends;

(II) insofar as it consists of property other than cash, be the Fair Market Value thereof at the time of such issuance; and

(III) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for

consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (I) and (II) above.

(B) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 3(e)(iii) above, relating to Options and Convertible Securities, shall be determined by dividing:

(x) the total amount, if any, received or receivable by the Corporation as consideration for the issuance of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein designed to protect against dilution) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto without regard to any provision contained therein designed to protect against dilution) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(f) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time, or from time to time, after the Original Issue Date effect a subdivision of the outstanding Common Stock, the Conversion Price then in effect immediately before that subdivision shall be proportionately decreased. If the Corporation shall at any time, or from time to time, after the Original Issue Date combine the outstanding shares of Common Stock, the Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this subsection shall become effective concurrently with the effectiveness of such subdivision or combination.

(g) Adjustment for Common Stock Dividends and Distributions. If the Corporation at any time, or from time to time, after the Original Issue Date, shall make or issue a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Conversion Price then in effect shall be decreased concurrently with the issuance of such dividend or distribution, by multiplying the Conversion Price then in effect by a fraction: (x) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance, and (y) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

(h) Adjustments for Other Dividends and Distributions. In the event the Corporation at any time, or from time to time, after the Original Issue Date shall make or

issue a dividend or other distribution payable in property or securities of the Corporation other than shares of Common Stock (and other than as otherwise adjusted in this Section 3), then and in each such event provision shall be made so that the holders of Series A Preferred Stock shall receive upon conversion thereof in addition to the number of shares of Common Stock receivable thereupon, the amount of property or securities of the Corporation that they would have received had their Series A Preferred Stock been converted into Common Stock immediately preceding the record date for the determination of stockholders entitled to receive such dividend or other distribution.

(i) Adjustment for Recapitalization, Reclassification, Exchange or Substitution. If the Common Stock issuable upon the conversion of the Series A Preferred Stock shall be changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, exchange, substitution or other similar event (other than pursuant to subsections (f), (g) and (h) above or a Change of Control Transaction which, pursuant to Section 2(c), is deemed to be a Liquidation Event), each holder of Series A Preferred Stock shall thereafter receive upon conversion of such Series A Preferred Stock, in lieu of the number of shares of Common Stock which such holder would otherwise have been entitled to receive, the number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of the shares of Series A Preferred Stock held by such holder of Series A Preferred Stock would have been entitled to receive upon such recapitalization, reclassification, exchange, substitution or other similar event.

(j) No Impairment. The Corporation will not, by amendment of these Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 3 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of Series A Preferred Stock against impairment.

(k) Certificate as to Adjustments. Upon the occurrence of each adjustment of the Conversion Price pursuant to this Section 3, the Corporation at its expense shall promptly compute such adjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment and showing in reasonable detail the facts upon which such adjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a similar certificate setting forth (i) such adjustments, (ii) the Conversion Price then in effect, and (iii) the number of shares of Common Stock and the amount, if any, of any other property which would then be received upon the conversion of Series A Preferred Stock.

(l) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, the Corporation shall mail to each holder of Series A Preferred Stock at least 10 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(m) Notices. All notices hereunder shall be in writing and shall be deemed given: (i) upon personal delivery to the person to be notified; (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) the next business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the holder at its address and/or facsimile number appearing on the books of the Corporation.

4. Status of Converted Stock. In the event any shares of Series A Preferred Stock shall be converted pursuant to Section 3 hereof, the shares so converted shall be cancelled and shall not be reissuable by the Corporation.

5. Voting Rights.

(a) Series A Preferred Stock Voting Rights. Except as may be otherwise provided in these Articles of Incorporation or as required by law or agreement, the Series A Preferred Stock shall vote together with all other classes and series of stock of the Corporation as a single class on all actions to be taken by the stockholders of the Corporation. Each share of Series A Preferred Stock shall entitle the holder thereof to such number of votes per share on each action as shall equal the number of shares of Common Stock into which such share of Series A Preferred Stock is convertible on the record date for determination of the stockholders entitled to vote, or, if no such record date is established, at the date such vote is taken or any written consent of the stockholders of the Corporation becomes effective. The holders of Series A Preferred Stock shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote.

(b) Common Stock Voting Rights. The holder of each outstanding share of Common Stock shall have the right to one vote on the record date for determination of the stockholders entitled to vote, or, if no such record date is established, at the date such vote is taken or any written consent of the stockholders of the Corporation becomes effective, and shall be entitled to notice of any stockholders meeting in accordance with the bylaws of the Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

6. Protective Provisions. The Corporation shall not, without the prior written consent or affirmative vote of (i) the Majority Series A Stockholders and (b) the Company's Board of Directors:

(a) amend, alter or repeal the preferences, special rights or other powers of the Series A Preferred Stock so as to affect them adversely, either directly or indirectly, including, without limitation, through merger or consolidation with any other corporation, or otherwise,

(b) amend or waive any provision of the Corporation's articles of incorporation or bylaws (including, without limitation, an amendment effected by merger,

consolidation or other reorganization) that adversely affects the holders of the Series A Preferred Stock, or

(c) authorize or issue or obligate itself to issue (including, without limitation, by reclassification of Common Stock or otherwise) any new class or series of stock, or any other equity securities, or any other securities convertible into equity securities of the Corporation, in any of the foregoing cases being on a parity with or having a preference over the Series A Preferred Stock, including, but not limited to, voting, dividends, liquidation or redemption, or

(d) increase or decrease the number of authorized shares of Common Stock or Series A Preferred Stock, or

(e) voluntarily dissolve, liquidate, wind up the Corporation or declare bankruptcy, or

(f) issue any debt securities that are convertible into or exchangeable for shares of capital stock, or

(g) redeem or repurchase any shares of capital stock,

(h) declare or pay any dividends on any class of capital stock, or

(i) engage in any Change of Control Transaction, or

(j) increase or decrease the authorized size of the Corporation's Board of Directors, or

(k) sell, transfer or otherwise dispose of (other than inventory and other sales in the ordinary course of business), in any transaction or a series of related transactions, of more than 10% of the Fair Market Value of the consolidated assets of the Corporation; or

(l) enter into any agreement or take any action with respect to any of the foregoing.

7. Election of Board of Directors. The Board of Directors shall consist of seven members. The Board of Directors shall be appointed in the following manner: (i) the holders of Series A Preferred Stock, voting as a separate class, shall be entitled to elect two members of the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors; and (ii) the holders of Common Stock (not including the Series A Preferred Stock or Common Stock issued or issuable upon conversion of the Series A Preferred Stock), voting as a separate class, shall be entitled to elect five members of the Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

8. Waiver. Except to the extent another approval threshold is expressly specified herein, the rights, preferences, privileges and other terms of the Series A Preferred Stock set forth in this Article IV Paragraph 1 Division B may be waived as to all shares of Series A Preferred Stock in any instance (without the necessity of convening any meeting of stockholders) upon the written agreement of the Supermajority Series A Stockholders.

PARAGRAPH 2

The Corporation is to have perpetual existence.

PARAGRAPH 3

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the bylaws of the Corporation.

PARAGRAPH 4

No stockholder of the Corporation shall by reason of holding shares of any class of stock have any cumulative voting right.

PARAGRAPH 5

Meeting of stockholders may be held within or without the State of Florida, as the bylaws may provide. The books of the Corporation may be kept (subject to any provisions contained in applicable statutes) outside the State of Florida at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the Corporation. Election of directors need not be by written ballot unless the bylaws of the Corporation so provide.

PARAGRAPH 6

The Corporation shall indemnify each of the Corporation's directors in each and every situation where, under Section 607.0850 ("Section 607.0850") of the Business Corporation Act of the State of Florida, as amended from time to time, the Corporation is permitted or empowered to make such indemnification. The Corporation may, in the sole discretion of the Board of Directors of the Corporation, indemnify any other person who may be indemnified

pursuant to Section 607.0850 to the extent the Board of Directors deems advisable, as permitted by Section 607.0850. The Corporation shall promptly make or cause to be made any determination required to be made pursuant to Section 607.0850.

[REMAINDER OF PAGE INTENTIONALLY BLANK]