



THE UNITED STATES
CORPORATION
COMPANY

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TALLAHASSEE, FLORIDA

ACCOUNT NO. : 072100000032

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AUTHORIZATION :

Patricia Project

COST LIMIT : \$ 87.50

ORDER DATE : June 20, 1997

ORDER TIME : 2:54 PM

ORDER NO. : 435905-005

CUSTOMER NO: 4303929

CUSTOMER: Fern S. Watts, Esq
Greenberg Traurig Hoffman
22nd Floor
1221 Brickell Avenue
Miami, FL 33131-3238

Amend

700002220507--7

DOMESTIC AMENDMENT FILING

NAME: HI-RISE RECYCLING SYSTEMS,
INC.

EFFECTIVE DATE:

RECEIVED
97 JUN 23 PM 3:25
DIVISION OF CORPORATION

☒ ARTICLES OF AMENDMENT
☐ RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

☒ CERTIFIED COPY
☐ PLAIN STAMPED COPY
☐ CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Kathy Drake

EXAMINER'S INITIALS:

NAME	HI-RISE RECYCLING SYSTEMS, INC.
DATE	6/23/97
EXAMINER	<i>[Signature]</i>
FILED	<i>[Signature]</i>
RECEIVED	<i>[Signature]</i>
INITIALS	<i>[Signature]</i>

ARTICLES OF AMENDMENT

CERTIFICATE OF DESIGNATION

of

SERIES B CONVERTIBLE PREFERRED STOCK

of

HI-RISE RECYCLING SYSTEMS, INC.

(Pursuant to Section 607.0602 of the
Florida Business Corporation Act)

Hi-Rise Recycling Systems, Inc., a corporation organized and existing under the Business Corporation Act of the State of Florida (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Section 607.0602 of the Business Corporation Act at a meeting duly called and held on May 7, 1997:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Articles of Incorporation of the Corporation, the Board of Directors hereby creates a series of Preferred Stock, par value \$.01 per share (the "Preferred Stock"), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series B Convertible Preferred Stock:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series B Convertible Preferred Stock" (the "Series B Preferred Stock") and the number of shares constituting the Series B Preferred Stock shall be 200. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series B Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series B Preferred Stock.

Section 2. Rank. The Series B Preferred Stock shall rank: (i) prior to all of the Corporation's Common Stock, par value \$.01 per share (the "Common Stock"); and (ii) prior to any class or series of capital stock of the Corporation hereafter created specifically ranking by its terms junior to any Series B Preferred Stock of whatever subdivision (collectively, with the Common Stock, "Junior Securities"), in each case as to distributions of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary. So long as any shares of Series B Preferred Stock shall be outstanding, the Corporation shall not authorize or issue shares of any other class or series of stock ranking prior to the Series B Preferred Stock or any shares of any other class or series of stock ranking on parity with the Series B Preferred Stock ("Parity Securities"), in each case in the distribution of assets of the Corporation on any liquidation, dissolution or winding-up of the Corporation without first obtaining the consent or approval of the holders of all the outstanding shares of Series B Preferred Stock.

Section 3. Dividends and Distributions. The Series B Preferred Stock shall bear no dividends and the holders of the Series B Preferred Stock shall not be entitled to dividends on the Series B Preferred Stock.

Section 4. Voting Rights. Except as otherwise provided by the Florida Business Corporation Act, the holders of shares of Series B Preferred Stock shall have no voting rights whatsoever, and no holder of shares of Series B Preferred Stock shall be entitled to vote or otherwise participate in any proceeding in which actions shall be taken by the Corporation or the shareholders thereof or be entitled to notification as to any meeting of the Board of Directors or the shareholders.

To the extent that under Florida law the vote of the holders of shares of Series B Preferred Stock, voting separately as a class, is required to authorize a given action of the Corporation, the affirmative vote or consent of the holders of at least a majority of the outstanding shares of the Series B Preferred Stock shall constitute the approval of such action by the class. To the extent that under Florida law the holders of shares of Series B Preferred Stock are entitled to vote on a matter with holders of shares of Common Stock, voting together as one class, each share of Series B Preferred Stock shall be entitled to a number of votes equal to the number of shares of Common Stock into which it is then convertible using the record date for the taking of such vote of shareholders as the date as of which the Conversion Price (as hereinafter defined) is calculated. Holders of shares of Series B Preferred Stock shall be entitled to notice of all shareholder meetings or written consents with respect to which they would be entitled to vote, which notice shall be provided pursuant to the Corporation's by-laws and applicable law.

Section 5. Conversion. The holders of shares of Series B Preferred Stock shall have conversion rights as follows.

(a) Optional Conversion. Each holder of a share of Series B Preferred Stock shall have the right, at any time, at the office of the Corporation or any transfer agent for the Series B Preferred Stock, to convert such share of Series B Preferred Stock into that number of fully paid and nonassessable shares of Common Stock calculated in accordance with the following

formula (the number of shares of Common Stock into which a share of Series B Preferred Stock may be converted is hereinafter referred to as the "Conversion Rate"):

Number of shares issuable upon conversion of one share of Series B Preferred Stock

$$= \frac{(.08)(N/365)(10,000) + 10,000}{\text{Conversion Price}}$$

where,

N = the number of days between (i) the date (the "Closing Date") of the receipt by the Company of funds representing full payment of the purchase price for the shares of Series B Preferred Stock for which conversion is being elected and (ii) the applicable date of conversion for the shares of Series B Preferred Stock for which conversion is being elected, and

Conversion Price = \$2.25

(b) *Mechanics of Conversion.* In order to convert shares of Series B Preferred Stock into shares of Common Stock, the holder of shares of Series B Preferred Stock shall (i) fax a copy of the fully executed notice of conversion in the form attached hereto ("Notice of Conversion") to the Corporation at its principal office and to the transfer agent for the Common Stock that such holder elects to convert the same, which notice shall specify the number of shares of Series B Preferred Stock to be converted and shall contain a calculation of the Conversion Rate (together with a copy of the first page of each certificate to be converted) prior to 5.00 p.m., New York City time (the "Conversion Notice Deadline") on the date of conversion specified on the Notice of Conversion and (ii) surrender the original certificate or certificates for the shares of Series B Preferred Stock to be converted, duly endorsed, and deliver the original Notice of Conversion by either overnight courier or two-day courier, to the principal office of the Corporation or the office of the transfer agent for the Common Stock; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series B Preferred Stock are delivered to the Corporation or its transfer agent as provided above. Upon receipt by the Corporation of evidence of the loss, theft, destruction or mutilation of any certificate representing shares of Series B Preferred Stock, and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Corporation, and upon surrender and cancellation of any certificate representing shares of Series B Preferred Stock, if mutilated, the Corporation shall execute and deliver a new certificate of like tenor and date. No fractional shares of Common Stock shall be issued upon conversion of the Series B Preferred Stock. In lieu of any fractional share to which the holder of shares of Series B Preferred Stock would otherwise be entitled, the Corporation shall pay cash to such holder in an amount equal to such fraction multiplied by the Conversion Price then in effect. In the case of a dispute as to the calculation of the Conversion Rate, the Corporation's calculation shall be deemed conclusive absent manifest error.

The Corporation shall use all reasonable efforts to issue and deliver within seven (7) business days after delivery to the Corporation of such certificates, or after such agreement and indemnification, to such holder of Series B Preferred Stock at the address of the holder on the books of the Corporation, a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid. The date on which conversion occurs (the "Date of Conversion") shall be deemed to be the date set forth in such Notice of Conversion, provided (i) that the advance copy of the Notice of Conversion is faxed to the Corporation before 5:00 p.m., New York City time, on the Date of Conversion, and (ii) that the original stock certificates representing the shares of Series B Preferred Stock to be converted are received by the Corporation or the transfer agent within two (2) business days thereafter. The person or persons entitled to receive the shares of Series B Preferred 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. If the original certificates representing the shares of Series B Preferred Stock to be converted are not received by the Corporation or the transfer agent within two (2) business days after the Date of Conversion or if the facsimile of the Notice of Conversion is not received by the Corporation or its transfer agent prior to the Conversion Notice Deadline, the Notice of Conversion, at the Corporation's option, may be declared null and void.

Following any conversion of shares of Series B Preferred Stock, such shares of Series B Preferred Stock shall no longer be outstanding.

(c) *Reservation of Shares.* The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of Series B Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Series B Preferred Stock, the Corporation will take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(d) *Adjustments to Conversion Price.* (i) If the average closing bid price (the "Trading Price") of the Common Stock, as reported on the NASDAQ Small-Cap Market, during the three-month period commencing on the 270th day after the Initial Closing Date (as hereinafter defined) and ending on the 360th day after the Initial Closing Date is less than 135% of the then applicable Conversion Price, the Conversion Price shall be reduced to such price as shall equal the Trading Price divided by 1.35. For purposes hereof, the term "Initial Closing Date" shall mean the date of the initial issuance of shares of the Series B Preferred Stock.

(ii) If, prior to the conversion of all outstanding shares of Series B Preferred Stock, the number of outstanding shares of Common Stock is increased by a stock split, stock dividend or other similar event, the Conversion Price shall be proportionately reduced, or if the number of outstanding shares of Common Stock is decreased by a combination or reclassification of shares or other similar event, the Conversion Price shall be proportionately increased.

(iii) If, prior to the conversion of all outstanding shares of Series B Preferred Stock, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event, as a result of which shares of Common Stock of the Corporation shall be changed into the same or a different number of shares of the same or another class or classes of stock or securities of the Corporation or another entity, then the holders of shares of Series B Preferred Stock shall thereafter have the right to purchase and receive upon conversion of Series B Preferred Stock, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such shares of stock and/or securities as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore purchasable and receivable upon the conversion of the Series B Preferred Stock held by such holders had such merger, consolidation, exchange of shares, recapitalization or reorganization not taken place, and in any such case appropriate provisions shall be made with respect to the rights and interests of the holders of the Series B Preferred Stock to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Series B Preferred Stock) shall thereafter be applicable, as nearly as may be practicable in relation to any shares of stock or securities thereafter deliverable upon the exercise hereof. The Corporation shall not effect any transaction described in this subsection 5(d) unless the resulting successor or acquiring entity (if not the Corporation) assumes by written instrument the obligation to deliver to the holders of the Series B Preferred Stock such shares of stock and/or securities as, in accordance with the foregoing provisions, the holders of the Series B Preferred Stock may be entitled to purchase.

Section 6 Status of Converted or Recquired Shares. Any shares of Series B Preferred Stock converted into shares of Common Stock pursuant to Section 5 hereof or purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the conversion or acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Articles of Incorporation, or in any other Certificate of Designation creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 7 Liquidation, Dissolution or Winding Up.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of shares of Series B Preferred Stock shall be entitled to receive, prior and in preference to any distribution to holders of Junior Securities but in parity with any distribution to holders of Parity Securities, an amount per share equal to \$10,000. If upon the occurrence of such event, the assets and funds to be distributed among the holders of shares of Series B Preferred Stock and Parity Securities shall be insufficient to permit the payment to such holders of the full preferential amounts due to the holders of shares of Series B Preferred Stock and Parity Securities, respectively, then the entire assets and funds of the Corporation legally available for distribution shall be distributed among the holders of shares of Series B Preferred Stock and Parity Securities, pro rata, based on the respective liquidation

amounts to which each such series of stock is entitled by the Corporation's Articles of Incorporation and any certificate of designation of preferences.

(b) Upon the completion of the distribution required by subsection 7(a) above, if assets remain in the Corporation, they shall be distributed to holders of Parity Securities (unless holders of Parity Securities have received distributions pursuant to subsection 7(a)) and Junior Securities in accordance with the Corporation's Articles of Incorporation, including any duly adopted certificate(s) of designation of preferences.

(c) A consolidation or merger of the Corporation with or into any other corporation or corporations, or a sale, conveyance or disposition of all or substantially all of the assets of the Corporation or the effectuation by the Corporation of a transaction or series of related transactions in which more than 50% of the voting power of the Corporation is disposed of, shall not be deemed to be a liquidation, dissolution or winding up within the meaning of this Section 7

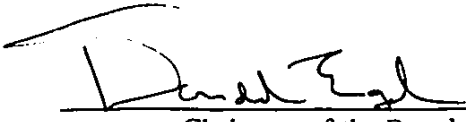
Section 8 Consolidation, Merger, etc. In the event of a merger, reorganization, recapitalization or similar event of or with respect to the Corporation (a "Corporate Change") (other than a Corporate Change in which all or substantially all of the consideration received by the holders of the Corporation's equity securities upon such Corporate Change consists of cash or assets other than securities issued by the acquiring entity or any affiliate thereof), the Series B Preferred Stock shall be assumed by the acquiring entity and thereafter the Series B Preferred Stock shall be convertible into such class and type of securities as the holder of shares of Series B Preferred Stock would have received had such holder converted the Series B Preferred Stock immediately prior to such Corporate Change.

Section 9. No Redemption. The shares of Series B Preferred Stock shall not be redeemable.

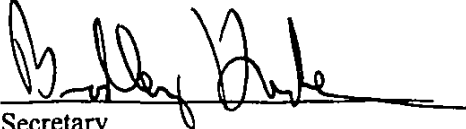
Section 10 Amendment. The Articles of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series B Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least a majority of the outstanding shares of Series B Preferred Stock, voting together as a single class.

Section 11. Notices. Written notice of each meeting of the shareholders of the Corporation shall be given by first-class mail not less than ten (10) days prior to such meeting to each holder of record of the Series B Preferred Stock to the address of such record holder shown on the Corporation's records.

IN WITNESS WHEREOF, this Articles of Amendment has been executed on behalf of the Corporation by its Chairman of the Board and attested by its Secretary this 19th day of June, 1997.


Chairman of the Board

Attest:


Secretary

NOTICE OF CONVERSION

(To be executed by the Registered Holder
in order to Convert the Preferred Stock)

The undersigned hereby irrevocably elects to convert _____ shares of Series B Preferred Stock, represented by stock certificate No(s). _____ (the "Preferred Stock Certificates") into shares of common stock ("Common Stock") of Hi-Rise Recycling Systems, Inc. (the "Company") according to the conditions of the Certificate of Designation of Series B Preferred Stock, as of the date written below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates. No fee will be charged to the holder for any conversion, except for transfer taxes, if any.

The undersigned represents and warrants that all offers and sales by the undersigned of the shares of Common Stock issuable to the undersigned upon conversion of the Series B Preferred Stock shall be made pursuant to registration of such shares of Common Stock under the Securities Act of 1933, as amended, or pursuant to an exemption from registration under such Act.

Conversion Calculations:

Date of Conversion

Applicable Conversion Price

Signature

Name

Address:

*No shares of Common Stock will be issued until the original preferred Stock Certificate(s) to be converted and the Notice of Conversion are received by the Corporation's Transfer Agent. The original Stock Certificate(s) representing the Series B Preferred Stock to be converted and the Notice of Conversion must be received by the Corporation's Transfer Agent by the second business day following the Date of Conversion, or the Notice of Conversion, at the Corporation's option, may be declared null and void.