

PO1000103232

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(Business Entity Name)

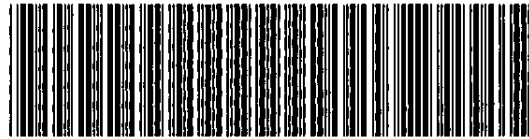
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TALLAHASSEE, FLORIDA

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Amend
Sg
10-20-11

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: Q-Shield Holdings, Inc.

DOCUMENT NUMBER: P01000103232

The enclosed *Articles of Amendment* and fee are submitted for filing.

Please return all correspondence concerning this matter to the following:

William Weksel

Name of Contact Person

Q-Shield Holdings, Inc.

Firm/ Company

4800 North Federal Highway, Suite 301A

Address

Boca Raton, Florida 33431

City/ State and Zip Code

bweksel@optonline.net

E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

William Weksel

Name of Contact Person

at (561) 447-8500

Area Code & Daytime Telephone Number

Enclosed is a check for the following amount made payable to the Florida Department of State:

☐ \$35 Filing Fee

☐ \$43.75 Filing Fee &
Certificate of Status

☒ \$43.75 Filing Fee &
Certified Copy
(Additional copy is enclosed)

☐ \$52.50 Filing Fee
Certificate of Status
Certified Copy
(Additional Copy is enclosed)

Mailing Address

Amendment Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

Street Address

Amendment Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, FL 32301

Articles of Amendment
to
Articles of Incorporation
of

Q-Shield Holdings, Inc.

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

P01000103232

(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:

A. If amending name, enter the new name of the corporation:

The new name must be distinguishable and contain the word "corporation," "company," or "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.," or the designation "Corp.," "Inc.," or "Co.". A professional corporation name must contain the word "chartered," "professional association," or the abbreviation "P.A."

B. Enter new principal office address, if applicable:

(Principal office address **MUST BE A STREET ADDRESS**)

C. Enter new mailing address, if applicable:

(Mailing address **MAY BE A POST OFFICE BOX**)

D. If amending the registered agent and/or registered office address in Florida, enter the name of the new registered agent and/or the new registered office address:

Name of New Registered Agent:

New Registered Office Address:

(Florida street address)

_____, Florida
(City) (Zip Code)

New Registered Agent's Signature, if changing Registered Agent:

I hereby accept the appointment as registered agent. I am familiar with and accept the obligations of the position.

Signature of New Registered Agent, if changing

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TALLAHASSEE, FLORIDA

If amending the Officers and/or Directors, enter the title and name of each officer/director being removed and title, name, and address of each Officer and/or Director being added:

(Attach additional sheets, if necessary)

<u>Title</u>	<u>Name</u>	<u>Address</u>	<u>Type of Action</u>
_____	_____	_____	<input type="checkbox"/> Add
		_____	<input type="checkbox"/> Remove

_____	_____	_____	<input type="checkbox"/> Add
		_____	<input type="checkbox"/> Remove

_____	_____	_____	<input type="checkbox"/> Add
		_____	<input type="checkbox"/> Remove

E. If amending or adding additional Articles, enter change(s) here:

(attach additional sheets, if necessary). (Be specific)

Article III of the Articles of Incorporation is being amended by the attached

Statement of Designation of the Rights, Preferences and of Series B

Convertible Preferred Stock.

F. If an amendment provides for an 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)

N/A

The date of each amendment(s) adoption: October 11, 2011
(date of adoption is required)

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

Adoption of Amendment(s) (CHECK ONE)

☐ The amendment(s) was/were adopted 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.

Dated October 11, 2011

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)

William Weksel

(Typed or printed name of person signing)

Chairman & CEO

(Title of person signing)

ARTICLE III

STOCK

A. This Corporation is authorized to issue two classes of shares, to be designated, respectively, "common stock" and "preferred stock".

B. The total number of shares of common stock authorized to be issued is 10 million, with no par value, and the total number of shares of preferred stock authorized to be issued is 10 million, each with a par value of \$1.00.

C. The preferred stock may be issued from time to time in one or more series under such terms and conditions as the board of directors may impose. The board of directors is authorized, within the limitations and restrictions stated in these Articles of Incorporation, to determine or alter the preferences, limitations, and relative rights granted to or imposed upon any wholly unissued series of preferred stock, the number of shares constituting any such series, and the designation thereof. The board of directors is also authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In the event that the number of shares of any series shall be so decreased, the shares that are the subject of such decrease shall resume the status that they had prior to the adoption of the resolution of the board of directors originally establishing the number of shares of such series.

Q-SHIELD HOLDINGS, INC.

**STATEMENT OF DESIGNATION
OF THE
RIGHTS, PREFERENCES AND LIMITATIONS
OF
SERIES B CONVERTIBLE PREFERRED STOCK**

Q-Shield Holdings, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), hereby (A) certifies that the Corporation, acting pursuant to the authority of the Board of Directors of the Corporation (the "Board of Directors"), as required by Chapter 607.0602 of Title XXXVI of the Florida Statutes and in accordance with the provisions of the Certificate of Incorporation and Bylaws of the Corporation, each as amended and restated through the date hereof, has authorized a series of the Corporation's previously authorized Preferred Stock, par value \$1.00 per share (the "Preferred Stock"), and (B) states the designation and number of shares, and fixes the relative rights, preferences, privileges, powers and restrictions thereof in this Statement of Designation of Rights, Preferences and Limitations (this "Statement of Designation"). All references to Sections and Subsections herein are solely to Sections and Subsections of this Statement of Designation.

1. Designation and Amount.

Of the 10,000,000 shares of Preferred Stock that the Corporation is authorized to issue under its Articles of Incorporation, as amended, 1,750,000 shares shall be designated as shares of Series B Preferred Stock of the Corporation (the "Series B Preferred Stock"), par value \$1.00 per share.

2. Voting.

(a) General. Except as otherwise provided in this Section 2, each holder of Series B Preferred Stock shall have that number of votes on all matters submitted to the shareholders that is equal to the number of shares of the Corporation's Common Stock, par value \$0.10 per share (the "Common Stock"), into which such holder's Series B Preferred Stock is then convertible, as hereinafter provided. Fractional votes by the holders of Series B Preferred Stock shall not be permitted, and any fractional voting rights resulting from application of the conversion provisions set forth herein shall be rounded to the nearest whole number. Except as otherwise provided herein, and except as otherwise required by agreement or law, the shares of capital stock of the Corporation shall vote as a single class on all matters submitted to the shareholders.

(b) INTENTIONALLY OMITTED

(c) Class Votes by Series B Preferred Stock. Without the affirmative vote or written consent of the holders (acting together as a class) of a majority of the shares of Series B Preferred Stock at the time outstanding, the Corporation shall not:

(i) authorize or issue any additional shares of Series B Preferred Stock or any shares of stock having priority over the Series B Preferred Stock as to the payment of dividends, whether in cash or in kind, or the payment or distribution of assets upon the liquidation or dissolution, voluntary or involuntary, of the Corporation; or

(ii) amend the Corporation's Articles of Incorporation or this Statement of Designation, or take any other action by amending the Corporation's bylaws or otherwise, so as to alter any existing provision relating to the Series B Preferred Stock or to the holders thereof or waive any of the rights granted to the holders of the Series B Preferred Stock by the Corporation's Articles of Incorporation or this Statement of Designation.

(d) Voting for Directors. Effective upon the first issuance of shares of Series B Preferred Stock and so long as any shares of Series B Preferred Stock are outstanding, the holders (acting together as a class) of a majority of the outstanding shares of Series B Preferred Stock shall have the right to elect and, between elections appoint, one (1) member of the Corporation's Board of Directors; provided, however, that this provision shall apply only if and when the size of the Board of Directors is increased from five (5) to seven (7) or more members. The Corporation shall include in its bylaws a provision to the effect of this Subsection 2(d).

3. Dividends.

(a) INTENTIONALLY OMITTED

(b) INTENTIONALLY OMITTED

(c) Participating Dividends. In the event that the Corporation declares or pays any dividends upon the Common Stock or the Series A Preferred Stock (whether payable in cash, shares of Common Stock or Series A Preferred Stock, as applicable, or other securities), the Corporation shall also declare and pay to the holders of shares of Series B Preferred Stock, at the same time that it declares and pays such dividends to the holders of the Common Stock and the Series A Preferred Stock, the dividends which would have been declared and paid with respect to the Common Stock issuable upon conversion of the Series B Preferred Stock had all of the outstanding shares of Series B Preferred Stock been converted immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which the record holders of Common Stock and Series A Preferred Stock entitled to such dividends are to be determined. If the Corporation pays dividends to the holders of the shares of Series B Preferred Stock in accordance with this Subsection 3(c), the aggregate amount of all dividends paid with respect to each share of Series B Preferred Stock in cash, together with the aggregate value of all dividends paid with respect to such share in shares of Common Stock, Series A Preferred Stock or other

securities (calculated based on the Market Price as defined Subsection 6(b)(ix)) of such shares of Common Stock, Series A Preferred Stock or other securities as of the date of such distribution), shall be subtracted from dividends to the holder of such shares of Series B Preferred Stock upon a liquidation, dissolution or winding up the Corporation, where a distribution is made under Subsection 4(c), or upon redemption of such Series B Preferred Stock from the holder thereof.

4. Liquidation.

(a) Liquidation Priorities. In the event of an involuntary or voluntary liquidation or dissolution of the Corporation at any time, the holders of shares of Series B Preferred Stock shall be entitled to receive out of the assets of the Corporation an amount equal to \$1.00 per share (as appropriately adjusted to reflect stock splits, stock dividends, reorganizations, consolidations and similar changes hereafter effected, the "Series B Liquidation Value") plus an amount in cash equal to all accrued but unpaid dividends thereon, if any (the aggregate of such amount being hereinafter referred to as the "Series B Liquidation Preference"), before any payment shall be made or any assets distributed to the holders of the Common Stock or any other class or series of shares ranking junior to the Series B Preferred Stock upon liquidation or dissolution of the Corporation; and thereafter, the holders of the outstanding Common Stock shall be entitled, to the exclusion of the holders of the Series B Preferred Stock, to share ratably in all assets of the Corporation then remaining; provided, however, that if the aggregate Series B Liquidation Preference of the shares held by a holder of Series B Preferred Stock is less than the amount that such holder would have received in connection with such liquidation or dissolution in respect of the shares of the Common Stock issuable upon the conversion of such shares of Series B Preferred Stock (determined as if all Series B Preferred Stock had been converted in accordance with Section 6 immediately prior to such liquidation or dissolution) (the "Conversion Value" for such holder), then, in lieu of such lesser amount, upon such liquidation or dissolution such holder shall receive such Conversion Value.

(b) Deficiencies Upon Liquidation. If upon any liquidation or dissolution of the Corporation the assets available for distribution shall be insufficient to pay the full amount of the Series B Liquidation Preference to all holders of shares of Series B Preferred Stock and the liquidation preference of any other class or series of preferred stock ranking on a parity with the Series B Preferred Stock on liquidation or dissolution of the Corporation, the holders of such shares of Series B Preferred Stock and any other class or series of preferred stock ranking on a parity with the Series B Preferred Shares shall share pro rata in any such distribution in proportion to the aggregate Series B Liquidation Preference of the shares held by them.

(c) INTENTIONALLY OMITTED

(d) No Effect on Conversion Right. Nothing hereinabove set forth shall affect in any way the right of each holder of shares of Preferred Stock to convert such shares at any time and from time to time in accordance with Section 6.

(e) Pari Passu. The Series B Preferred Stock ranks in parity (i.e., *pari passu*; equally) with the Series A Preferred Stock, and senior to the Corporation's Common Stock, with respect to dividends and distributions of assets upon liquidation, dissolution, or winding up of the Corporation, whether voluntary or involuntary.

5. Dilution Protection.

(a) If the Corporation decides to issue and sell additional shares of any capital stock of the Corporation or any warrants, securities convertible into the capital stock of the Corporation or other rights to subscribe for or to purchase any capital stock of the Corporation, other than (i) shares of Common Stock sold to the public pursuant to a registration statement filed under the Securities Act, if such offering is underwritten on a firm commitment basis, (ii) options or warrants to purchase shares of Common Stock granted to employees, directors, consultants, or other advisers of the Corporation, and the Common Stock awarded or issued upon the exercises thereof, (iii) the "Conversion Shares" (as defined in Section 5(c)), (iv) securities issued as part or in furtherance of a strategic business relationship, pursuant to the acquisition of all or part of another company by the Corporation by merger or other reorganization, or by purchase of all or part of the assets of another company, pursuant to a plan, agreement or arrangement approved by the Board of Directors, and (v) securities issuable upon conversion or exercise of securities issued in accordance with this Section 5(a) (all such capital stock, warrants, securities or convertible into capital stock and other rights, other than securities referred to in clauses (i)-(v) above, being hereinafter sometimes collectively referred to as "Additional Securities"), the Corporation shall first offer to sell to each Investor, upon the same terms and conditions as the Corporation is proposing to issue and sell such Additional Securities to others, such Investor's pro rata share (as defined in Section 5(b)) of such Additional Securities. Such offer shall be made by written notice given to each Investor, and specifying therein the amount of the Additional Securities being offered, the purchase price and other terms of such offer. Each Investor shall have a period of 5 business days from and after the date of receipt by it of such notice within which to accept such offer. If an investor elects to accept such offer in whole or in part, such Investor shall so accept by written notice to the Corporation given within such 5 business-day period. If an Investor fails to accept such offer in whole or in part within such 5 business-day period, any of such Additional Securities not subscribed for by such Investor pursuant to such offer may be offered for sale to others by the Corporation for a period of 5 days from the last day of such 5 business-day period, but only on the same terms and conditions as set forth in the initial offer to such Investor, free and clear of the restrictions imposed by this Section 5(a).

(b) For purposes of Section 5(a), the "pro rata share" of each Investor is the number of shares of Additional Securities (rounded to the nearest whole share) as is equal to the product of (i)(A) the number of shares of Common Stock issued, or issuable upon the exercise or conversion of rights, options or convertible securities without the payment of any additional cash consideration or with payment of a nominal cash consideration, as the case may be (collectively, "Fully Paid Securities"), to such Investor immediately prior to the issuance of the Additional Securities being offered divided by (B) the total number

of Fully Paid Securities issued or issuable by the Corporation immediately prior to the issuance of the Additional Securities, multiplied by (ii)(A) if approved by the affirmative vote of the holders of a majority of the Series B Purchased Stock, that portion of the offering of Additional Securities that remains after consideration binding commitments to purchase that have been received from persons other than the holders of the Series B Purchased Stock or (B) if not so approved, the entire offering of Additional Securities.

(c) For purposes of Section 5(a), "Conversion Shares" shall mean, the shares of the Common Stock into which the Series B Preferred Stock have been converted or are convertible.

6. Conversion of Series B Preferred Stock.

(a) Mandatory Conversion of Series B Preferred Stock. The Series B Preferred Stock shall automatically be converted into shares of Common Stock, without any act by the Corporation or the holders of the Series B Preferred Stock, concurrently with the closing of the first public offering by the Corporation of shares of Common Stock registered under the Securities Act of 1933, as amended, in which (1) the aggregate public offering price of the securities sold for cash by the Corporation in the offering is at least \$10,000,000 million and (2) the offering is underwritten on a firm commitment basis by an underwriter, or a group of underwriters represented by an underwriter or underwriters. As used herein, the term "closing" shall mean the delivery by the Corporation to the underwriters of certificates representing the shares of Common Stock offered to the public against delivery to the Corporation by such underwriters of payment thereof. The term "firm commitment basis" with respect to the underwriting of such public offering shall mean a commitment pursuant to a written underwriting agreement under which the nature of the underwriters' commitment is such that all securities will be purchased by such underwriters if any securities are purchased by such underwriters. Each holder of Series B Preferred Stock so converted shall be entitled to receive the full number of shares of Common Stock into which the Series B Preferred Stock held by such holder could be converted if such holder had exercised its conversion right pursuant to Subsection 6(b) at the time of closing of such public offering. Upon such conversion, each holder of Series B Preferred Stock shall promptly surrender all certificates representing such Series B Preferred Stock in exchange for one or more certificates representing Common Stock.

(b) Optional Conversion of Series B Preferred Stock. Any shares of the Series B Preferred Stock shall, at the option of any holder thereof, be convertible, at the office of the Corporation (or at such other office or offices, if any, as the Board of Directors may designate), into fully paid and nonassessable shares (calculated as to each conversion to the nearest 1/100th of a share) of Common Stock, at the Conversion Price, determined as hereinafter provided, in effect at the time of conversion, each share of Series B Preferred Stock being deemed to have a value equal to \$1.00 (as appropriately adjusted to reflect stock splits, stock dividends, reorganizations, consolidations and similar changes hereafter effected) for the purpose of such conversion. The price at which shares of Common Stock shall be delivered upon conversion (the "Conversion

Price”) of the Series B Preferred Stock shall initially be \$1.00 per share, such that each share of Series B Preferred Stock shall initially be convertible into one (1) share of Common Stock; provided, however, that such initial Conversion Price shall be subject to adjustment from time to time in certain instances as hereinafter provided. The following provisions shall govern such right of conversion:

(i) In order to convert Series B Preferred Stock into shares of Common Stock, the holder thereof shall surrender at the principal office of the Corporation the certificate or certificates therefore, duly endorsed to the Corporation or in blank, and give written notice to the Corporation at such office that such holder elects to convert such shares. Series B Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion as herein provided, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock at such time, provided that, if a conversion of Series B Preferred Stock is made in connection with a public offering or any other transaction, such conversion may, at the election of the holder thereof, be conditioned upon the consummation of such transaction, in which case such conversion shall not be deemed to be effective until such transaction has been consummated. As promptly as practicable on or after the conversion date, the Corporation shall issue and deliver or cause to be issued and delivered at such office a certificate or certificates for the number of shares of Common Stock issuable upon such conversion.

(ii) The Conversion Price shall be subject to adjustment from time to time as hereinafter provided. Upon each adjustment of the Conversion Price each holder of Series B Preferred Stock shall thereafter be entitled to receive, upon conversion of such Series B Preferred Stock, the number of shares of Common Stock obtained by multiplying the Conversion Price in effect immediately prior to such adjustment by the number of shares issuable pursuant to conversion immediately prior to such adjustment and dividing the product thereof by the Conversion Price resulting from such adjustment.

(iii) In case the Corporation shall (x) declare a dividend upon the Common Stock payable in Common Stock (other than a dividend declared to effect a subdivision of the outstanding shares of Common Stock, as described in Subsection 6(b)(iv)), or Convertible Securities, or in any rights or options to purchase Common Stock or Convertible Securities, or (y) declare any other dividend or make any other distribution upon the Common Stock payable otherwise than out of earnings or earned surplus, then thereafter each holder of Series B Preferred Stock upon the conversion thereof will be entitled to receive the number of shares of Common Stock into which such Series B Preferred Stock have been converted, and, in addition and without payment therefore, each dividend described in clause (x) above and each dividend or distribution described in clause (y) above which such holder would have received by way of dividends or distributions if continuously since the issuance of such Series B Preferred Stock such holder (a) had been the record holder of the number of shares of Common Stock then received, and (b) had retained all dividends or distributions in stock or securities (including Common Stock or Convertible Securities) payable in respect of such Common

Stock or in respect of any stock or securities paid as dividends or distributions and originating directly or indirectly from Common Stock. For the purposes of the foregoing, a dividend or distribution other than in cash shall be considered payable out of earnings or earned surplus only to the extent that such earnings or earned surplus are charged an amount equal to the fair value of such dividend or distribution as determined by the Board of Directors of the Corporation.

(iv) In case the Corporation shall at any time subdivide its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Common Stock shall be combined into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased.

(v) If any capital reorganization or reclassification of the capital stock of the Corporation, or consolidation or merger of the Corporation with another corporation, or the sale of all or substantially all of its assets to another entity shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such reorganization, reclassification, consolidation, merger or sale and subject to Subsection 4(c) above, lawful and adequate provision shall be made whereby the holders of Series B Preferred Stock shall thereafter have the right to receive upon the basis and upon the terms and conditions specified herein and in lieu of the shares of the Common Stock immediately theretofore receivable upon the conversion of Series B Preferred Stock, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore receivable upon the conversion of Series B Preferred stock has such reorganization, reclassification, consolidation, merger or sale not taken place, plus any unpaid and accumulated or accrued dividends thereon to the date of such reorganization, reclassification, consolidation, merger or sale, and in any such case appropriate provision shall be made with respect to the rights and interests of the holders of Series B Preferred Stock to the end that the provisions hereof (including without limitation provisions for adjustments of the Conversion Price and of the number of shares receivable upon the conversion of Series B Preferred Stock) shall thereafter be applicable, as nearly as may be in relation to any shares of stock, securities or assets thereafter receivable upon the conversion of Series B Preferred Stock. This Corporation shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof the successor corporation (if other than the Corporation) resulting from such consolidation or merger or the Corporation purchasing such assets shall assume by written instrument executed and mailed to the registered holders of Series B Preferred Stock, at the last addresses of such holders appearing on the books of the Corporation, the obligation to deliver to such holders such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holders may be entitled to receive.

(vi) In case at any time:

- (A) the Corporation shall declare any cash dividend on the Common Stock;
- (B) the Corporation shall pay any dividend payable in stock upon the Common Stock or make any distribution to the holders of Common Stock;
- (C) the Corporation shall offer for subscription pro rata to the holders of Common Stock any additional shares of stock of any class or other rights;
- (D) there shall be any capital reorganization, or reclassification of the capital stock of the Corporation, or consolidation or merger of the Corporation with, or sale of all or substantially all of its assets to, another corporation; or
- (E) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then, in any one or more of said cases, the Corporation shall give written notice, by first-class mail, postage prepaid, addressed to the registered holders of Series B Preferred Stock at the addresses of such holders as shown on the books of the Corporation, of the date on which (a) the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights, or (b) such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up shall take place, as the case may be. Such notice shall also specify the date as of which the holders of Common Stock of record shall participate in such dividend, distribution or subscription rights, or shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding up, as the case may be. Such written notice shall be given at least 20 days prior to the action in question and not less than 20 days prior to the record date or the date on which the Corporation's transfer books are closed in respect thereto.

(vii) If any event occurs as to which in the opinion of the Board of Directors of the Corporation the other provisions of this Subsection 6(b) are not strictly applicable or if strictly applicable would not fairly protect the rights of the holders of any series of Series B Preferred Stock in accordance with the essential intent and principles of such provisions, then the Board of Directors shall make an adjustment in the application of such provisions, in accordance with such essential intent and principles, so as to protect such rights as aforesaid.

(viii) As used in this Subsection 6(b) the term "Common Stock" shall mean and include the Corporation's presently authorized Common Stock and shall also include any capital stock of any class of the Corporation hereafter authorized which shall not be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends or in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation; provided that the shares receivable pursuant to conversion of Series B Preferred Stock shall include shares designated as Common Stock as of the date of issuance of such Series B Preferred Stock,

or, in case of any reclassification of the outstanding shares thereof, the stock, securities or assets provided for in Subsection 6(b)(v) above.

(ix) No fractional shares of Common Stock shall be issued upon conversion, but, instead of any fraction of a share which would otherwise be issuable, the Corporation shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction of the Market Price per share of Common Stock as of the close of business on the day of conversion. "Market Price" shall mean, if the Common Stock is traded on a securities exchange or on the Nasdaq National Market System, the closing price of the Common Stock on such exchange or the Nasdaq National Market System, or, if the Common stock is otherwise traded in the over-the-counter market, the closing bid price, in each case averaged over a period of 20 consecutive business days immediately prior to the date as of which Market Price is being determined. If at any time the Common Stock is not traded on an exchange or the Nasdaq National Market System, or otherwise traded in the over-the-counter market, the Market Price shall be deemed to be the higher of (x) the book value thereof as determined by any firm of independent certified public accountants of recognized standing selected by the Board of Directors of the Corporation as of the last day of any month ending within 60 days preceding the date as of which the determination is to be made, or (y) the fair value thereof determined in good faith by the Board of Directors of the Corporation as of a date which is within 15 days of the date as of which the determination is to be made.