

P07000042941

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(Business Entity Name)

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2009 APR 20 AM 11:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: Red Phoenix Extracts, Inc.

DOCUMENT NUMBER: P07000042941

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

Please return all correspondence concerning this matter to the following:

William A. Sample

(Name of Contact Person)

Red Phoenix Extracts, Inc.

(Firm/ Company)

3495 U.S. Highway 1, Bldg. 12 East

(Address)

Ft. Pierce, Florida 34982

(City/ State and Zip Code)

For further information concerning this matter, please call:

William A. Sample

(Name of Contact Person)

at (772) 464-0404

(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

Red Phoenix Extracts, Inc.

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

P070000042941

(Document Number of Corporation (if known))

FILED
2003 APR 20 AM 11:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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

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)

Pursuant to Section 607.604 of the Florida Business Corporation Act, a majority of the shareholders of Red Phoenix Extracts, Inc., have amended the Corporation's Articles of Incorporation, as follows: Article IV, Capital Stock. a) The maximum number of shares that this Corporation shall be authorized to issue and have outstanding at any one time shall be 60,000,000 shares which are to be divided into two classes: 50,000,000 shares of common stock, par value \$0.01 per share; and 10,000,000 shares of preferred stock, par value \$0.01 per share. The Board of Directors (by attachment hereof) identifies the Series A and Series B preferred designations.

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)

The date of each amendment(s) adoption: April 17, 2009

Effective date if applicable: April 17, 2009
(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 April 17, 2009

Signature Edward W. Sample

(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)

Edward W. Sample

(Typed or printed name of person signing)

President

(Title of person signing)

**ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION
OF
RED PHOENIX EXTRACTS, INC.**

**AUTHORITY, DESIGNATION, PREFERENCES AND OTHER RIGHTS
AND QUALIFICATIONS OF PREFERRED STOCK AND
INCREASED AUTHORIZATION OF COMMON STOCK**

The undersigned Chief Executive Officer of Red Phoenix Extracts, Inc. (the "Company"), a company organized and existing under the laws of the State of Florida; certifies that to the authority contained in the Company's Articles of Incorporation and By Laws, and in accordance with the provisions of the resolution approved and authorized by the Board of Directors, has authorized the increase of the number of common shares authorized as well as the authorization of preferred stock designations for the Company. The Company is hereby amending its Articles of Incorporation to memorialize the authorization of preferred stock and, more particularly, the designations as Series A Preferred Stock and Series B Preferred Stock as defined herein:

FIRST: The Articles of Incorporation of the Company, bearing document number P07000042941, authorized the issuance of Five Million (5,000,000) shares of common stock and zero (0) shares of preferred stock.

SECOND: On April 16, 2009, the Board of Directors unanimously approved the increase of the authorization of common stock shares in the Company to Fifty Million (50,000,000), and the creation of a series of preferred stock designated as Series A Preferred Stock (the "Series A Preferred Stock") with a stated value of \$0.01 per share. The number of authorized shares constituting the Series A Preferred Stock shall be Six Hundred Ten Thousand (610,000) shares, and the creation of a series of preferred stock designated as Series B Preferred Stock (the "Series B Preferred Stock") with a stated value of \$0.01 per share. The number of authorized shares constituting the Series B Preferred Stock shall be Two Hundred Forty Thousand (240,000) shares.

Accordingly, "Article IV" of the Articles of Incorporation of the Company is hereby amended to include the following:

INCREASE IN THE AUTHORIZED NUMBER OF COMMON STOCK SHARES

1) Amount. The Board of Directors of the Company, pursuant to authority granted in the Articles of Incorporation, hereby increases the number of authorized shares of common stock in the Company to Fifty Million (50,000,000 shares) having a par value of \$0.01.

II) **Par Value.** The stated value of the Common Stock Shares shall conform to all existing shares of common stock, having a par value of \$0.01 per share.

SERIES A PREFERRED STOCK

I) **Designation and Amounts.** The Board of Directors of the Company, pursuant to authority granted in the Articles of Incorporation, hereby creates a series of preferred stock designated as Series A Preferred Stock (the "Series A Preferred Stock") with a stated value of \$0.01 per share. The number of authorized shares constituting the Series A Preferred Stock shall be Six Hundred Ten Thousand (610,000) shares.

II) **Powers, Preferences, Rights, Restrictions and Other Matters relating to the Series A Preferred Stock are as follows::**

1. **Dividends**

- (a) The holders of Series A Preferred Stock shall be entitled to receive dividends payable out of funds legally available therefore. Such dividends shall be payable only when, as, and if declared by the board of directors and shall not be cumulative. No right shall accrue to holders of shares of Series A Preferred Stock by reason of the fact that dividends on said shares are not declared or paid nor shall any undecleared or unpaid dividend bear or accrue any interest.
- (b) No dividends (other than those payable solely in the Common Stock of the Corporation) shall be paid on any Common Stock of the Corporation during any fiscal year of the Corporation so long as any Series A or Series B Preferred Stock is outstanding. The Corporation shall pay dividends on the Series A and Series B Preferred Stock such that the aggregate amount of the dividend is allocated to each Series in the number of shares of Common Stock which each Series could be converted.
- (c) In the event the Corporation shall declare a distribution (other than any distribution described in Section 2 or Section 3) payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights to purchase any such securities or evidences of indebtedness, then, in each such case the holders of the Series A Preferred Stock shall be entitled to a proportionate share of any such distribution as though the holders of the Series A Preferred Stock were the holders of the number of shares of Common Stock of the Corporation into which their respective shares of Series A Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

2. Liquidation Preference

- (a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock by reason of their ownership thereof, the amount of \$0.2459 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares) plus all declared or accumulated but unpaid dividends on such shares. So long as any Series B Preferred Stock is outstanding, any amount to be distributed pursuant to any said liquidation, dissolution or winding up of the Corporation shall be allocated between the Series A Preferred Stock and the Series B Preferred Stock in proportion to the number of shares of Series A Preferred Stock and Series B Preferred Stock into which the Series A and Series B Preferred Stock can be converted.
- (b) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, and subject to the payment in full of the liquidation preferences with respect to the Series A Preferred Stock as provided in subparagraph (a) of this Section 2, the holders of the Common Stock shall be entitled to receive, prior and in preference to any further distribution of any assets or surplus funds of the Corporation to the holders of the Series A Preferred Stock by reason of their ownership thereof, the amount equal to the amount distributed as provided in subparagraph (a) of this Section 2 (as adjusted for any stock dividends, combinations or splits with respect to such shares) for each share of Common Stock then held by them and no more. Subject to the payment in full of the liquidation preferences with respect to the Series A Preferred Stock as provided in subparagraph (a) of this Section 2, if upon the occurrence of such event, the assets and funds thus distributed among the holders of the Common Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire remaining assets and funds of the Corporation legally available for distribution shall be distributed among the holders of the Common Stock in proportion to the shares of Common Stock then held by them.
- (c) After payment to the holders of the Common Stock and the Series A and Series B Preferred Stock of the amounts set forth in Sections 2(a) and (b) above, the entire remaining assets and funds of the Corporation legally available for

distribution, if any, shall be distributed among the holders of the Common Stock, the Series A Preferred Stock, and the Series B Preferred Stock in proportion to the shares of Common Stock then held by them and the shares of Common Stock which they then have the right to acquire upon conversion of the shares of Series A Preferred Stock and Series B Preferred Stock then held by them.

- (d) For purposes of this Section 2, (i) any acquisition of the Corporation by means of merger or other form of corporate reorganization in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring corporation or its subsidiary (other than a mere reincorporation transaction) or (ii) a sale of all or substantially all of the assets of the Corporation, shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series A and Series B Preferred Stock and Common Stock to receive at the closing in cash, securities or other property (valued as provided in Section 2(e) below) amounts as specified in Sections 2(a) through 2(c) above.
- (e) Whenever the distribution provided for in this Section 2 shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

3. Redemption. The shares of Series A Preferred Stock may be redeemed by payment of \$0.2459 per share.

- (a) The shares of Series A Preferred Stock may be redeemed in whole or in part, at any time and from time to time after the date of issue. The Corporation shall effect such redemptions by paying in cash in exchange for the shares of Series A Preferred Stock to be redeemed a sum equal to \$0.2459 per share of Series A Preferred Stock (as adjusted for any stock dividends, combinations or splits with respect to such shares) (the "Redemption Date").
- (b) Any redemption effected pursuant to subparagraph (a) of this Section 3 shall be made on a pro rata basis among the holders of the Series A Preferred Stock and Series B Preferred Stock in proportion to the number of shares of Common Stock that the Series A and Series B Preferred Stock may be converted.
- (c) At least 15 but no more than 30 days prior to each Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on

which notice is given) of the Series A Preferred Stock to be redeemed, at the address last shown on the records of the Corporation for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, the certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in Section 3(c), on or after the Redemption Date, each holder of Series A Preferred Stock to be redeemed shall surrender to the Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates representing such shares, as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

- (d) From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holder of the Series A Preferred Stock designated for redemption in the Redemption Notice as holders of Series A Preferred Stock (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Series A Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Series A Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series A Preferred Stock. The shares of Series A Preferred Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series A Preferred Stock, such funds will immediately be used to redeem the balance of the

shares which the Corporation has become obliged to redeem on any Redemption Date, but which it has not redeemed.

- (e) On or prior to each Redemption Date, the Corporation shall deposit the Redemption Price of all shares of Series A Preferred Stock designated for redemption in the Redemption Notice and not yet redeemed with a bank or trust corporation as a trust fund for the benefit of the respective holders of the shares designated for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust corporation to pay the Redemption Price for such shares to their respective holders on or after the Redemption Date upon receipt of notification from the Corporation that such holder has surrendered his share certificate to the Corporation pursuant to Section 3(b) above. As of the Redemption Date, the deposit shall constitute full payment of the shares to their holders, and from and after the Redemption Date the shares so called for redemption shall be redeemed and shall be deemed to be no longer outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust corporation payment of the Redemption Price of the shares without interest, upon surrender of their certificates therefore. Such instructions shall also provide that any moneys deposited by the Corporation pursuant to this Section 3(d) for the redemption of shares thereafter converted into shares of the Corporation's Common Stock pursuant to Section 5 hereof prior to the Redemption Date shall be returned to the Corporation forthwith upon such conversion. The balance of any moneys deposited by the Corporation pursuant to this Section 3(d) remaining unclaimed at the expiration of two years following the Redemption Date shall thereafter be returned to the Corporation upon its request expressed in a resolution of its Board of Directors.

4. Voting Rights. Each holder of shares of the Series A Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series A Preferred Stock could be converted and shall have voting rights and powers equal to voting rights and powers of the Common Stock (except as otherwise expressly provided herein or as required by law, voting together with the Common Stock as a single class) and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Series A Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Each holder of Series A Preferred Stock shall be entitled to ten

votes for each share of Series A Preferred Stock held.

5. Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (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 after the date of issuance of such share at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing \$0.2459 by the Series A Conversion Price applicable to such share, determined as hereinafter provided, in effect on the date the certificate is surrendered for conversion. The price at which shares of Common Stock shall be deliverable upon conversion of shares of the Series A Preferred Stock (the "Series A Conversion Price") shall be \$0.2459.
- (b) Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefore, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, and shall give written notice to the Corporation at such office that the holder elects to convert the same and shall state therein the name or names in which the holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Series A Preferred Stock to be converted, 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.
- (c) Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivision of Common Stock. In the event that the Corporation at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any

right to acquire Common Stock), or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for any series of Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

- (d) **Adjustments for Reclassification and Reorganization.** If the Common Stock issuable upon conversion of the Series A Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 5(c) above or a merger or other reorganization referred to in Section 2(d) above), the Series A Conversion Price therein effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common stock that would have been subject to receipt by the holders upon conversion of the Series A Preferred Stock immediately before that change.
- (e) **No Impairment.** The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms 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 5 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 the Series A Preferred Stock against impairment.
- (f) **Certificates as to Adjustments.** Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant

to this Section 5, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate executed by the Corporation's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment 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 like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price for such series of Preferred Stock at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock.

- (g) **Notices of Record Date.** In the event that the Corporation shall propose at any time: (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of the Series A Preferred Stock:
1. at least 20 days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (iii) and (iv) above; and
 2. in the case of the matters referred to in (iii) and (iv) above, at least 20 days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

- (h) **Issue Taxes.** The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock pursuant hereto; provided; however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.
 - (i) **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A 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 the Series A Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation.
 - (j) **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional shares. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock the Corporation shall, in lieu of issuing any fractional share, shall issue one additional share of Common Stock.
 - (k) **Notices.** Any notice required by the provisions of this Section 5 to be given to the holders of shares of Series A Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, or if sent by facsimile or delivered personally by hand or nationally recognized courier and addressed to each holder of record at such holder's address or facsimile number appearing in the records of the Corporation.
6. **Restrictions and Limitations.**
- (a) So long as any shares of Series A Preferred Stock remain

outstanding, the Corporation shall not, without the vote or written consent of the holders of at least 66 2/3% of the then outstanding shares of the Series A Preferred Stock:

- (i) Authorize or issue, or obligate itself to issue, any other equity security (including any security convertible into or exercisable for any equity security) senior to or on a parity with the Series A Preferred Stock as to dividend rights or redemption rights or liquidation preferences;
- (ii) Effect any sale, lease, assignments, transfer, or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries, or any consolidation or merger involving the Corporation (or any of its subsidiaries), or any reclassification or other change of any stock, or any recapitalization of the Corporation;
- (iii) Permit any subsidiary to issue or sell, or obligate itself to issue or sell, except to the Corporation or any wholly owned subsidiary, any stock of such subsidiary; or (b) The Corporation shall not amend its Certificate of Incorporation without the approval, by vote or written consent, by the holders of 66 2/3% of a series of Preferred Stock if such amendment would change any of the rights, preferences or privileges provided for herein for the benefit of any shares of that series of Preferred Stock. Without limiting the generality of the preceding sentence, the Corporation will not amend its Certificate of Incorporation without the approval of the holders of 66 2/3% of a series of Preferred Stock if such an amendment would:
- (iv) Reduce the dividend rates on that series of Preferred Stock provided for herein, or if cumulative, make such dividends non-cumulative, or defer the dates from which dividends will accrue, or cancel accrued and unpaid dividends, or change the relative seniority rights of the holders of that series of Preferred Stock as to the payment of dividends in relation to the holders of any other capital stock of the Corporation;
- (v) Reduce the amount payable to the holders of that series of Preferred Stock upon the voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, or change the relative seniority of the liquidation preferences of the holders of that series of Preferred Stock to the rights upon liquidation of the holders of any other capital stock of the Corporation;
- (vi) Reduce the Redemption Price specified in Section 3

- hereof with respect to such series;
- (vii) Cancel or modify the Conversion Rights of that series provided for in Section 5 hereof.

7 No Reissuance of Series A Preferred Stock. No share or shares of Series A Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

SERIES B PREFERRED STOCK

I) Designation and Amounts. The Board of Directors of the Company, pursuant to authority granted in the Articles of Incorporation, hereby creates a series of preferred stock designated as Series B Preferred Stock (the "Series B Preferred Stock") with a stated value of \$0.01 per share. The number of authorized shares constituting the Series A Preferred Stock shall be Two Hundred Forty Thousand (240,000) shares.

II) Powers, Preferences, Rights, Restrictions and Other Matters relating to the Series A Preferred Stock are as follows::

The powers, preferences, rights, restrictions, and other matters relating to the Series B Preferred Stock are as follows:

1. Dividends

- (a) The holders of Series B Preferred Stock shall be entitled to receive dividends payable out of funds legally available therefore. Such dividends shall be payable only when, as, and if declared by the board of directors and shall not be cumulative. No right shall accrue to holders of shares of Series B Preferred Stock by reason of the fact that dividends on said shares are not declared or paid nor shall any undecleared or unpaid dividend bear or accrue any interest.
- (b) No dividends (other than those payable solely in the Common Stock of the Corporation) shall be paid on any Common Stock of the Corporation during any fiscal year of the Corporation so long as any Series A or Series B Preferred Stock is outstanding. The Corporation shall pay dividends on the Series A and the Series B Preferred Stock Series A and Series B Preferred Stock such that the aggregate amount of the dividend is allocated to each Series in the number of shares of Common Stock which each Series could be converted.
- (c) In the event the Corporation shall declare a distribution (other than any distribution described in Section 2 or Section 3) payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, _____ assets (excluding cash dividends) or options or rights to purchase _____ any such securities or evidences of indebtedness, then, in each such case the holders of the Series B Preferred Stock _____

shall be entitled to a proportionate share of any such distribution as though the holders of the Series B Preferred Stock were the holders of the number of shares of Common Stock of the Corporation into which their respective shares of Series B Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

2. Liquidation Preference

- (a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series B Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock by reason of their ownership thereof, the amount of \$1.25 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares) plus all declared or accumulated but unpaid dividends on such shares. So long as any Series A Preferred Stock is outstanding, any amount to be distributed pursuant to any said liquidation, dissolution or winding up of the Corporation shall be allocated between the Series A Preferred Stock and the Series B Preferred Stock in proportion to the number of shares of Series A Preferred Stock and Series B Preferred Stock into which the Series A and Series B Preferred can be converted.
- (b) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, and subject to the payment in full of the liquidation preferences with respect to the Series B Preferred Stock as provided in subparagraph (a) of this Section 2, the holders of the Common Stock shall be entitled to receive, prior and in preference to any further distribution of any assets or surplus funds of the Corporation to the holders of the Series B Preferred Stock by reason of their ownership thereof, the amount equal to the amount distributed as provided in subparagraph (a) of this Section 2 (as adjusted for any stock dividends, combinations or splits with respect to such shares) for each share of Common Stock then held by them and no more. Subject to the payment in full of the liquidation preferences with respect to the Series B Preferred Stock as provided in subparagraph (a) of this Section 2, if upon the occurrence of such event, the assets and funds thus distributed among the holders of the Common Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire remaining assets and funds of the Corporation legally available for distribution shall be distributed among

the holders of the Common Stock in proportion to the shares of Common Stock then held by them.

- (c) After payment to the holders of the Common Stock and the Series A and Series B Preferred Stock of the amounts set forth in Sections 2(a) and (b) above, the entire remaining assets and funds of the Corporation legally available for distribution, if any, shall be distributed among the holders of the Common Stock, the Series A Preferred Stock, and the Series B Preferred Stock in proportion to the shares of Common Stock then held by them and the shares of Common Stock which they then have the right to acquire upon conversion of the shares of Series A Preferred Stock and Series B Preferred Stock then held by them.
- (d) For purposes of this Section 2, (i) any acquisition of the Corporation by means of merger or other form of corporate reorganization in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring corporation or its subsidiary (other than a mere reincorporation transaction) or (ii) a sale of all or substantially all of the assets of the Corporation, shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series A and Series B Preferred Stock and Common Stock to receive at the closing in cash, securities or other property (valued as provided in Section 2(e) below) amounts as specified in Sections 2(a) through 2(c) above.
- (e) Whenever the distribution provided for in this Section 2 shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

3. Redemption. The shares of Series B Preferred Stock may be redeemed by payment of \$1.25 per share.

- (a) The shares of Series B Preferred Stock may be redeemed, in whole or in part, at any time and from time to time after the date of issue. The Corporation shall effect such redemptions by paying in cash in exchange for the shares of Series B Preferred Stock to be redeemed a sum equal to \$1.25 per share of Series B Preferred Stock (as adjusted for any stock dividends, combinations or splits with respect to such shares) (the "Redemption Date"). Any redemption effected pursuant to subparagraph (a) of this Section 3 shall be made on a pro rata basis among the holders of the Series A and Series B Preferred Stock in proportion to the number of shares of Common Stock that the Series A and Series B Preferred

Stock may be converted.

- (b) At least 15 but no more than 30 days prior to each Redemption Date, written notice shall be mailed, first class postage prepaid, to each holder of record (at the close of business on the business day next preceding the day on which notice is given) of the Series B Preferred Stock to be redeemed, at the address last shown on the records of the Corporation for such holder, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, the certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in Section 3(c), on or after the Redemption Date, each holder of Series B Preferred Stock to be redeemed shall surrender to the Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates representing such shares, as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.
- (c) From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holder of the Series B Preferred Stock designated for redemption in the Redemption Notice as holders of Series B Preferred Stock (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If the funds of the Corporation legally available for redemption of shares of Series B Preferred Stock on any Redemption Date are insufficient to redeem the total number of shares of Series B Preferred Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Series B Preferred Stock. The shares of Series B Preferred Stock not redeemed

shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series B Preferred Stock, such funds will immediately be used to redeem the balance of the shares which the Corporation has become obliged to redeem on any Redemption Date, but which it has not redeemed.

- (d) On or prior to each Redemption Date, the Corporation shall deposit the Redemption Price of all shares of Series B Preferred Stock designated for redemption in the Redemption Notice and not yet redeemed with a bank or trust corporation as a trust fund for the benefit of the respective holders of the shares designated for redemption and not yet redeemed, with irrevocable instructions and authority to the bank or trust corporation to pay the Redemption Price for such shares to their respective holders on or after the Redemption Date upon receipt of notification from the Corporation that such holder has surrendered his share certificate to the Corporation pursuant to Section 3(b) above. As of the Redemption Date, the deposit shall constitute full payment of the shares to their holders, and from and after the Redemption Date the shares so called for redemption shall be redeemed and shall be deemed to be no longer outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto except the right to receive from the bank or trust corporation payment of the Redemption Price of the shares without interest, upon surrender of their certificates therefore. Such instructions shall also provide that any moneys deposited by the Corporation pursuant to this Section 3(d) for the redemption of shares thereafter converted into shares of the Corporation's Common Stock pursuant to Section 5 hereof prior to the Redemption Date shall be returned to the Corporation forthwith upon such conversion. The balance of any moneys deposited by the Corporation pursuant to this Section 3(d) remaining unclaimed at the expiration of two years following the Redemption Date shall thereafter be returned to the Corporation upon its request expressed in a resolution of its Board of Directors.

4. **Voting Rights.** Each holder of shares of the Series B Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series B Preferred Stock could be converted and shall have voting rights and powers equal to voting rights and powers of the Common Stock (except as otherwise expressly provided herein or as required by law, voting together with the Common Stock as a single class) and shall be entitled to notice of any stockholders'

meeting in accordance with the Bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Series B Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward). Each holder of Series B Preferred Stock shall be entitled to ten votes for each share of Series B Preferred Stock held.

5. Conversion. The holders of the Series B Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

- (a) Right to Convert. Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing \$0.125 by the Series B Conversion Price applicable to such share, determined as hereinafter provided, in effect on the date the certificate is surrendered for conversion. The price at which shares of Common Stock shall be deliverable upon conversion of shares of the Series B Preferred Stock (the "Series B Conversion Price") shall be \$1.25.
- (b) Mechanics of Conversion. Before any holder of Series B Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefore, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, and shall give written notice to the Corporation at such office that the holder elects to convert the same and shall state therein the name or names in which the holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series B Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Series B Preferred Stock to be converted, 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.
- (c) Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivision of Common Stock. In the event that the Corporation at any time or from time to time after the Original Issue Date shall declare or pay, without consideration, any dividend on the Common Stock payable in

Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Conversion Price for any series of Preferred Stock in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that the Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

- (d) Adjustments for Reclassification and Reorganization. If the Common Stock issuable upon conversion of the Series B Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section 5(c) above or a merger or other reorganization referred to in Section 2(d) above), the Series B Conversion Price therein effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series B Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common stock that would have been subject to receipt by the holders upon conversion of the Series B Preferred Stock immediately before that change.
- (e) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms 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 5 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 the Series B Preferred Stock against impairment.

- (f) **Certificates as to Adjustments.** Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 5, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series B Preferred Stock a certificate executed by the Corporation's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series B Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price for such series of Preferred Stock at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series B Preferred Stock.
- (g) **Notices of Record Date.** In the event that the Corporation shall propose at any time: (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of the Series B Preferred Stock:
 - 1. at least 20 days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (iii) and (iv) above; and
 - 2. in the case of the matters referred to in (iii) and (iv) above, at least 20 days' prior written notice of the date

when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

- (h) **Issue Taxes.** The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series B Preferred Stock pursuant here to; provided; however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.
- (i) **Reservation of Stock Issuable Upon Conversion.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series B Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the 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 the Series B Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation.
- (j) **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series B Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series B Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional shares. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock the Corporation shall, in lieu of issuing any fractional share, shall issue one additional share

of Common Stock.

- (k) Notices. Any notice required by the provisions of this Section 5 to be given to the holders of shares of Series B Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, or if sent by facsimile or delivered personally by hand or nationally recognized courier and addressed to each holder of record at such holder's address or facsimile number appearing in the records of the Corporation.

6. Restrictions and Limitations.

- (a) So long as any shares of Series B Preferred Stock remain outstanding, the Corporation shall not, without the vote or written consent of the holders of at least 66 2/3% of the then outstanding shares of the Series B Preferred Stock:
 - (i) Authorize or issue, or obligate itself to issue, any other equity security (including any security convertible into or exercisable for any equity security) senior to or on a parity with the Series B Preferred Stock as to dividend rights or redemption rights or liquidation preferences;
 - (ii) Effect any sale, lease, assignments, transfer, or other conveyance of all or substantially all of the assets of the Corporation or any of its subsidiaries, or any consolidation or merger involving the Corporation (or any of its subsidiaries), or any reclassification or other change of any stock, or any recapitalization of the Corporation;
 - (iii) Permit any subsidiary to issue or sell, or obligate itself to issue or sell, except to the Corporation or any wholly owned subsidiary, any stock of such subsidiary; or (b) The Corporation shall not amend its Certificate of Incorporation without the approval, by vote or written consent, by the holders of 66 2/3% of a series of Preferred Stock if such amendment would change any of the rights, preferences or privileges provided for herein for the benefit of any shares of that series of Preferred Stock. Without limiting the generality of the preceding sentence, the Corporation will not amend its Certificate of Incorporation without the approval of the holders of 66 2/3% of a series of Preferred

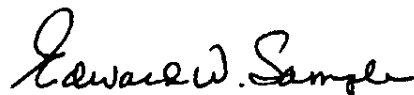
Stock if such an amendment would: (i) Reduce the dividend rates on that series of Preferred Stock provided for herein, or if cumulative, make such dividends non-cumulative, or defer the dates from which dividends will accrue, or cancel accrued and unpaid dividends, or change the relative seniority rights of the holders of that series of Preferred Stock as to the payment of dividends in relation to the holders of any other capital stock of the Corporation; (ii) Reduce the amount payable to the holders of that series of Preferred Stock upon the voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, or change the relative seniority of the liquidation preferences of the holders of that series of Preferred Stock to the rights upon liquidation of the holders of any other capital stock of the Corporation; (iii) Reduce the Redemption Price specified in Section 3 hereof with respect to such series; (iv) Cancel or modify the Conversion Rights of that series provided for in Section 5 hereof.

7 No Reissuance of Series B Preferred Stock. No share or shares of Series B Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

The foregoing Amendment was adopted by the Board of Directors of the Company pursuant to the Florida Business Company Act on April 16, 2009. Therefore, the number of votes cast for the Amendment to the Company's Articles of Incorporation was sufficient for approval.

IN WITNESS WHEREOF, the Company has caused this Amendment to its Articles of Incorporation to be executed by its duly authorized officer this April 16, 2009.

Red Phoenix Extracts, Inc.

A handwritten signature in black ink, appearing to read "Edward W. Sample". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Edward W. Sample
Chief Executive Officer