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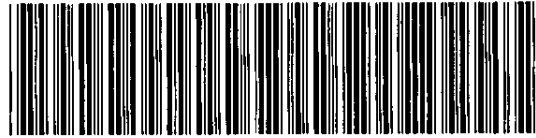
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2/27/13



CORPORATION SERVICE COMPANY

ACCOUNT NO. : I20000000195

REFERENCE : 549478 5021731

AUTHORIZATION :

COST LIMIT : \$ 43.75

ORDER DATE : February 27, 2013

ORDER TIME : 10:49 AM

ORDER NO. : 549478-005

CUSTOMER NO: 5021731

DOMESTIC AMENDMENT FILING

NAME: DEMERX, INC.

EFFECTIVE DATE:

XX ARTICLES OF AMENDMENT
 RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY
 PLAIN STAMPED COPY
 CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Carina L. Dunlap -- EXT# 52951

EXAMINER'S INITIALS: _____

ARTICLES OF RESTATEMENT

OF

DEMEX, INC.

1. Restatement of Articles. Pursuant to Section 607.1007 of the Florida Business Corporation Act, the Articles of Incorporation of Demex, Inc. (the "Corporation"), originally filed with the Department of State of the State of Florida on March 1, 2010, are hereby amended and restated in their entirety as follows:

SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

DEMEX, INC.

ARTICLE 1

NAME

The name of the Corporation is DEMEX, INC.

ARTICLE 2

STATE OF ORGANIZATION

The Corporation is organized pursuant to the provisions of the Florida Business Corporation Act (the "Act").

ARTICLE 3

CAPITAL STOCK

The total number of shares of stock which the Corporation shall have authority to issue is 50,000,000 shares of capital stock, of which 35,000,000 shares shall be designated "Common Stock" having a par value of \$.0001 per share and 15,000,000 shares shall be designated "Preferred Stock" having a par value of \$.0001 per share.

The designations and the preferences, conversion and other rights, voting powers, restrictions, provisions as to dividends, qualifications, redemption rights and other terms and conditions of the shares of each class of stock are as follows:

1. Preferred Stock

(a) The Preferred Stock may be issued from time to time by the Board of Directors as shares of one or more series. The description of shares of each series of Preferred Stock, including any preferences, conversion and other rights, voting powers, restrictions, provisions as to dividends, qualifications, redemption rights and any other terms and conditions shall be as set forth in resolutions adopted by the Board of Directors, and articles of amendment to these Amended and Restated Articles of Incorporation (these "Restated Articles") shall be filed with the Department of State of the State of Florida as required by law to be filed with respect to the issuance of such Preferred Stock, prior to the issuance of any shares of such series, except for the description of the shares of "Series A Convertible Preferred Stock" and "Series B Convertible Preferred Stock,"

which are contained in the Certificates of Designation Establishing the Designation, Powers, Preferences, Limitations, Restrictions, and Relative Rights attached hereto as Exhibit A and Exhibit B, respectively, and which are incorporated herein by reference.

(b) The Board of Directors may at any time, by adopting resolutions providing for the issuance of (or for a change in the authorized number of) shares of any particular series of Preferred Stock and, if and to the extent required by law, by filing articles of amendment to these Restated Articles which are effective without shareholder action, increase or decrease the number of shares included in any series of Preferred Stock, but not below the number of shares then issued, and set or change in any one or more respects the designations, preferences, conversion or other rights, voting powers, restrictions, provisions as to dividends, qualifications, redemption rights or other terms and conditions relating to the shares of such series. The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but not be limited to, setting or changing the following:

- (i) the annual dividend rate, if any, on shares of such series, the times of payment and the date from which dividends shall be accumulated, if dividends are to be cumulative;
- (ii) whether the shares of such series shall be redeemable and, if so, the redemption price and the terms and conditions of such redemption;
- (iii) the obligation, if any, of the Corporation to redeem shares of such series pursuant to a sinking fund;
- (iv) whether shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or classes and, if so, the terms and conditions of such conversion or exchange, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;
- (v) whether the shares of such series shall have voting rights, in addition to the voting rights provided by law, and, if so, the extent of such voting rights;
- (vi) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding-up of the Corporation; and
- (vii) any other relative rights, powers, preferences, qualifications, limitations or restrictions thereof relating to such series.

(c) The shares of Preferred Stock of any one series shall be identical with each other in all respects except as to the dates from and after which dividends thereon shall cumulate, if cumulative.

2. Common Stock

(a) Effective upon the filing of these Restated Articles with the Department of State for the State of Florida (the "Effective Date"), the 35,000,000 shares Common Stock of the Corporation shall consist of a single class. All prior issued and outstanding shares of the Corporation's Class A and Class B Common Stock and all outstanding options and warrants providing for the

issuance of Class A or Class B Common Stock shall, from and after the Effective Date, be deemed Common Stock at a one-for-one conversion ratio, subject to any adjustments as provided in the applicable option award or warrant agreements, having one (1) vote per share on all matters presented for the vote or written consent of the Common Stock of the Corporation and otherwise having all of the same rights and privileges as the shares of Class A Common Stock and Class B Common Stock outstanding immediately prior to such re-designation. Holders of outstanding Class A Common Stock or Class B Common Stock certificates, option awards or warrants need not exchange such instruments in order for the conversion to Common Stock to become effective and such original certificates or other instruments will continue to represent the rights and privileges afforded holders of undifferentiated Common Stock and option awards or warrants which, if exercised, would be convertible into shares of Common Stock.

(b) Subject to all of the rights of the Preferred Stock as expressly provided herein, by law or by the Board of Directors pursuant to this Article 3, the Common Stock of the Corporation shall possess all such rights and privileges as are afforded to capital stock by applicable law in the absence of any express grant of rights or privileges in these Articles, including, but not limited to, the following rights and privileges:

- (i) dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the Corporation legally available for the payment of dividends;
- (ii) the holders of Common Stock shall have the right to vote for the election of directors and on all other matters requiring shareholder action; and
- (iii) upon the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the net assets of the Corporation available for distribution shall be distributed pro rata to the holders of the Common Stock in accordance with their respective rights and interests.

ARTICLE 4 REGISTERED OFFICE AND REGISTERED AGENT

The registered office of the Corporation shall be at 4400 Biscayne Blvd., Suite 580, Miami, FL 33137. The registered agent of the Corporation at such address shall be Holger Weis.

ARTICLE 5 PRINCIPAL OFFICE

The principal office of the Corporation shall be at 4400 Biscayne Blvd., Suite 580, Miami, FL 33137.

ARTICLE 6 DIRECTOR'S LIABILITY

No director shall have any personal liability to the Corporation or to its shareholders for monetary damages for breach of duty of care or other duty as a director, by reason of any act or omission occurring on or subsequent to the date when this provision becomes effective, except

that this provision shall not eliminate or limit the liability of a director with respect to any matters expressly addressed in Section 607.0831 of the Act, or with respect to any other matters as to which applicable law expressly provides that an advance waiver of liability will not be enforceable.

ARTICLE 7 NO PREEMPTIVE RIGHTS

Except as otherwise expressly provided in these Restated Articles or in articles of amendment to these Restated Articles providing for the description of shares of any series of Preferred Stock, no holder of any of the shares of any class of stock of the Corporation shall be entitled as of right to subscribe for, purchase, or otherwise acquire any shares of any class of stock which the Corporation proposes to issue or any rights or options which the Corporation proposes to grant for the purchase of shares of any class of stock of the Corporation or for the purchase of any shares, bonds, securities, or obligations of the Corporation which are convertible into or exchangeable for, or which carry any rights to subscribe for, purchase or otherwise acquire shares of any class of stock of the Corporation; and any and all of such shares, bonds, securities, or obligations of the Corporation, whether now or hereafter authorized or created, may be issued, or may be reissued if the same have been reacquired and if their reissue is not prohibited, and any and all of such rights and options may be granted by the Board of Directors to such individuals and entities, and for such lawful consideration, and on such terms, as the Board of Directors in its discretion may determine, without first offering the same, or any thereof, to any said holder.

ARTICLE 8 INDEMNIFICATION

Each person who is or was a director or officer of the Corporation, and each person who is or was a director or officer of the Corporation who at the request of the Corporation is serving or has served as an officer, director, partner, joint venturer, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall be indemnified by the Corporation against those expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement which are allowed to be paid or reimbursed by the Corporation under the laws of the State of Florida and which are actually and reasonably incurred in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person may be involved by reason of his or her being or having been a director or officer of this Corporation or of such other enterprise.

The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person (including, but not limited to, any employee or agent of the Corporation), to the fullest extent permitted by law, for any liability or expense (including attorneys' fees) incurred in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, in which such person may be involved by reason of his or her having served in such a position or official capacity with the Corporation or, while holding such a position or official capacity with the Corporation, having acted in a position or official capacity with another entity, employee benefit plan or other enterprise at the request of the Corporation.

Notwithstanding anything contained herein to the contrary, this Article is intended to provide indemnification to each director and officer of the Corporation to the fullest extent authorized by the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader rights than said statute permitted the Corporation to provide prior thereto). Neither the amendment or repeal of this Article 8 nor the adoption of any other provision inconsistent with the provisions of this Article 8 shall eliminate or reduce the effect of this Article 8 with respect to any matter occurring, or any action or proceeding accruing or arising, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE 9 SPECIAL MEETINGS OF SHAREHOLDERS

Special meetings of the shareholders for any purpose may be called only (i) by the Board of Directors, (ii) by any other person or persons authorized to do so under the Bylaws of the Corporation, or (iii) at the request in writing of the holders of shares entitled to cast not less than thirty percent (30%) of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting, which written request shall be signed and dated by the requesting shareholders and delivered to the Secretary of the Corporation and shall describe the purpose or purposes for which the proposed meeting is to be held.

2. Effect of Restated Articles. The foregoing Second Amended and Restated Articles of Incorporation supersede any previously filed Articles of Incorporation and any amendments thereto.
3. Approval by Shareholder Action. The foregoing Second Amended and Restated Articles of Incorporation were duly approved by each voting group entitled to vote separately on the Second Amended and Restated Articles of Incorporation and the number of votes cast for the Second Amended and Restated Articles of Incorporation by the shareholders in each voting group was sufficient for approval by that voting group.

IN WITNESS WHEREOF, these Articles of Restatement have been executed on behalf of DemeRx, Inc. by its duly authorized officer on this 22nd day of February 2013.

DEMERX, INC.

By: Holger Wels

Name: HOLGER WELS

Title: COO/CFO

EXHIBIT A

CERTIFICATE OF DESIGNATION ESTABLISHING THE DESIGNATION, POWERS, PREFERENCES, LIMITATIONS, RESTRICTIONS AND RELATIVE RIGHTS OF SERIES A CONVERTIBLE PREFERRED STOCK OF DEMEXX, INC. (THE "CORPORATION")

Section 1. **Designation and Number of Shares.** The series will be known as the "Series A Convertible Preferred Stock" (the "Series A Preferred Stock"), and will be a series consisting of Seven Million (7,000,000) shares of the authorized but unissued Preferred Stock of the Corporation, having a par value of \$0.0001 per share. As provided in the Restated Articles, the number of shares of Series A Preferred Stock may be increased or decreased by the Board of Directors of the Corporation from time to time, provided that the number of shares shall not be decreased below the number of shares then issued and outstanding.

Section 2. **Dividends.** The holders of the Series A Preferred Stock shall be entitled to participate with the holders of Common Stock in any dividends paid or set aside for payment (other than dividends payable solely in shares of Common Stock) so that holders of the Series A Preferred Stock shall receive with respect to each share of Series A Preferred Stock an amount equal to (x) the dividend payable with respect to each share of Common Stock multiplied by (y) the number of shares (and fraction of a share, if any) of Common Stock into which such share of Series A Preferred Stock is convertible as of the record date for such dividend. Any such dividend shall be paid with respect to all then outstanding shares of Common Stock and Series A Preferred Stock on a *pari passu* basis and on an as-converted-to-common basis. No dividends shall be paid on the Common Stock unless an equivalent dividend is paid with respect to the Series A Preferred Stock in accordance with this Section 2.

Section 3. **Liquidation Preference.**

(a) **Preference.**

(i) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntarily or involuntarily (each, a "Liquidation Event"), 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 Common Stock of the Corporation, an amount (the "Series A Liquidation Preference") equal to the greater of: (A) the sum of \$2.50 per share, subject to adjustment as provided herein; or (B) such amount per share as would have been payable had all shares of Series A Preferred Stock been converted into Common Stock pursuant to Section 5 immediately prior to such Liquidation Event. If, upon such Liquidation Event and after the payment of preferential amounts required to be paid to holders of any series of Preferred Stock having a ranking upon liquidation senior to the Series A Preferred Stock, the assets of the Corporation available for distribution to the shareholders of the Corporation are insufficient to provide for both the payment of the full Series A Liquidation Preference and the preferential amounts (if any) required to be paid to holders of any other series of Preferred Stock having a ranking upon liquidation *pari passu* with the Series A Preferred Stock, such assets as are so available shall be distributed among the holders of the Series A

Preferred Stock and the holders of any other series of Preferred Stock having a ranking upon liquidation *pari passu* with the Series A Preferred Stock in proportion to the relative aggregate preferential amount each such holder is otherwise entitled to receive.

(ii) After the payment or the setting apart for payment to the holders of the Series A Preferred Stock and to the holders of any other series of Preferred Stock having a ranking upon liquidation senior to the Common Stock of the preferential amounts so payable to them, if assets remain in the Corporation, the holders of the Common Stock of the Corporation shall receive all of the remaining assets of the Corporation pro rata in accordance with the number of shares of Common Stock held by them.

(iii) All amounts per share set forth in this Section 3(a) shall be appropriately adjusted for any stock splits, stock combinations, stock dividends, or similar recapitalizations.

(b) Noncash Distributions. If any of the assets of the Corporation are to be distributed for any purpose in a form other than in cash under this Section 3, then the Board of Directors of the Corporation shall promptly engage independent competent appraisers to determine the value of the assets to be distributed to the holders of Series A Preferred Stock and/or Common Stock, as applicable. The Corporation shall, upon receipt of such appraiser's valuation, give prompt written notice of the appraiser's valuation to each holder of shares of Series A Preferred Stock and/or Common Stock, as applicable.

(c) Consolidation or Merger. Except as provided in Section 5(b) herein, a consolidation or merger of the Corporation with or into any other corporation or corporations, or a sale of all or substantially all of the assets of the Corporation, shall be deemed to be a Liquidation Event within the meaning of this Section 3 unless the holders of a majority of the Series A Preferred Stock, voting together as a single class, determine that such an event is not to be deemed a Liquidation Event for purposes of this Section 3. The provisions of this Section 3(c) shall not apply to any consolidation or merger following which the holders of more than 50% of the capital stock of the resulting or surviving entity, based on voting power in the election of directors, are persons or entities who were shareholders of the Corporation immediately prior to such consolidation or merger.

Section 4. Voting Rights. On all matters presented for the vote or written consent of the shareholders of the Corporation, the holder of each share of Series A Preferred Stock shall be entitled to the number of votes equal to the number of votes held by the number of shares of Common Stock into which such share of Series A Preferred Stock could be converted under Section 5 below on the record date for the vote or written consent of shareholders and, except as otherwise required by applicable law, shall have voting rights and powers equal to the voting rights and powers of the Common Stock. The holder of each share of Series A Preferred Stock shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of the Corporation, and the holders of the Series A Preferred Stock shall vote together with the holders of the Common Stock of the Corporation as a single class and as a single voting group upon all matters submitted to a vote or written consent of shareholders, except those matters required to be submitted to a class or series vote pursuant to Section 6 below or pursuant to applicable law. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from

the application of the above formula (after aggregating all shares of Common Stock into which shares of Series A Preferred Stock held by each respective holder could be converted) shall be rounded to the nearest whole number (with an exact one-half share being rounded upward to one).

Section 5. Conversion. The Series A Preferred Stock shall be convertible into Common Stock (subject to the provisions of Section 5(d) below) as follows:

(a) Right to Convert. Each share of Series A Preferred Stock shall be convertible at the office of the Corporation, at the option of the holder thereof, at any time after the date of issuance of such share. Each share of Series A Preferred Stock shall be convertible into the number of shares of Common Stock (subject to the provisions of Section 5(d) below) which results from dividing the Conversion Price per share in effect at the time of conversion into the Conversion Value per share. The number of shares of Common Stock into which a share of Series A Preferred Stock is convertible is hereinafter referred to as the "Conversion Rate." Both the Conversion Price per share of Series A Preferred Stock (the "Conversion Price") and the Conversion Value per share of Series A Preferred Stock (the "Conversion Value") initially in effect shall be \$2.50 per share. Accordingly, the Conversion Rate initially in effect shall be 1:1. The initial Conversion Price of Series A Preferred Stock shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Series A Preferred Stock shall convert automatically into shares of Common Stock (subject to the provisions of Section 5(d) below) at its then effective Conversion Rate immediately prior to the closing of any of the following: (i) any public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering any of the Corporation's securities; (ii) a consolidation or merger of the Corporation with or into any other corporation, if as a direct result of such consolidation or merger the Corporation's securities, or securities for which the Corporation's securities are exchanged, are publicly traded on any national or regional exchange or on the Nasdaq National Market or SmallCap Market, or quoted on the Over the Counter Bulletin Board, or registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended; (iii) a consolidation or merger of the Corporation with or into any other corporation or a sale of substantially all of the assets of the Corporation, if as a direct result of such consolidation or merger the holders of shares of Common Stock of the Corporation will receive cash, securities or other property having at such time a value per share at least equal to the applicable Conversion Price of the Series A Preferred Stock; or (iv) upon the vote or written consent of the holders of a majority of the Series A Preferred Stock.

(c) Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock as provided in Section 5(a), that holder shall surrender the certificate or certificates for his or her shares of Series A Preferred Stock, duly endorsed, at the office of the Corporation and shall give written notice to the Corporation at such office that he or she elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such converting holder of Series A Preferred Stock a certificate or certificates for the number of shares of Common Stock to which the converting holder shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such 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.

In the event of an automatic conversion pursuant to Section 5(b), the outstanding shares of Series A Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless either (i) the certificates evidencing such shares of Series A Preferred Stock are delivered to the Corporation as provided above, or (ii) the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after delivery of such certificates, or of such agreement and indemnification in the case of a lost certificate, issue and deliver at its office to such holder of Series A Preferred Stock a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock. With respect to a conversion pursuant to clause (i) of Section 5(b), such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of the public offering, 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.

(d) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Conversion Price.

(e) Adjustment of Conversion Price. The Conversion Price of the Series A Preferred Stock shall be subject to adjustment from time to time as follows:

(i) *If the number of shares of Common Stock outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, on the date such dividend is distributed or such change is effective, the Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of the Series A Preferred Stock shall be increased in proportion to such increase of outstanding shares.*

(ii) *If the number of shares of Common Stock outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common Stock, then, on the effective date of such combination, the Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of the Series A Preferred Stock shall be decreased in proportion to such decrease in outstanding shares.*

(iii) *In case the Corporation shall declare a cash dividend upon its Common Stock payable otherwise than out of retained earnings or shall distribute to holders of*

its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Corporation convertible into or exchangeable for Common Stock), then, in such case, the holders of shares of Series A Preferred Stock shall, concurrently with the distribution to holders of Common Stock, receive a like distribution based upon the number of shares of Common Stock into which such Series A Preferred Stock is then convertible.

(iv) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up, or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common Stock), or the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, then effective upon the occurrence of such reorganization, reclassification, consolidation, merger, sale or other disposition, the shares of Series A Preferred Stock shall, if such event is not deemed a Liquidation Event for purposes of Section 3(a), be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed which such holder would have been entitled to receive if such holder had converted his or her shares of Series A Preferred Stock into Common Stock immediately prior to such reorganization, reclassification, consolidation, merger, sale, or other disposition. The provisions of this subparagraph (iv) shall apply in a similar manner to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(v) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(f) Minimal Adjustments. No adjustment in a Conversion Price need be made if such adjustment would result in a change in such Conversion Price of less than \$0.01. Any adjustment of less than \$0.01 which is not made shall thereafter be disregarded for all purposes.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a 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 setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time from 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 and Conversion Rate in effect at the time for the Series A Preferred Stock held by such holder, 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 such holder's Series A Preferred Stock.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, the Corporation shall mail to each holder of Series A Preferred Stock, at least twenty (20) days prior to the date on which such record is to be taken for the purpose of such dividend or distribution, a notice specifying the date on which such record is to be taken and the nature and amount of the dividend or distribution for which such record date has been established.

(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. 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, then the Corporation will promptly 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.

(j) Notices. Any notice required by the provisions of this Section 5 to be given to the holders of shares of the Series A Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his or her latest address appearing on the books of the Corporation.

Section 6. Protective Provisions. In addition to any other rights and restrictions provided under applicable law, except as otherwise provided in Section 7 below, without first obtaining the affirmative vote or written consent of the holders of a majority of the then-outstanding shares of Series A Preferred Stock, the Corporation shall not amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or this Certificate of Designation if such action would adversely alter or change the preferences, rights, privileges, or powers of, or restrictions provided for the benefit of, the Series A Preferred Stock.

Section 7. New Classes or Series of Shares. Notwithstanding anything to the contrary contained in Section 6 above, nothing in this Certificate of Designation shall prevent the Corporation from creating, authorizing or issuing any new class or series of shares *pari passu* with, or having preferences over, any outstanding share of Series A Preferred Stock, as to dividends or assets or any other rights or preferences, and any such action by the Corporation shall not require any vote or written consent of the holders of the Series A Preferred Stock.

EXHIBIT B

CERTIFICATE OF DESIGNATION ESTABLISHING THE DESIGNATION, POWERS, PREFERENCES, LIMITATIONS, RESTRICTIONS, AND RELATIVE RIGHTS OF SERIES B CONVERTIBLE PREFERRED STOCK OF DEMEXX, INC. ("CORPORATION")

Section 1. Designation and Number of Shares. The series will be known as the "Series B Convertible Preferred Stock" (the "Series B Preferred Stock"), and will be a series consisting of four million (4,000,000) shares of the authorized but unissued preferred stock of the Corporation, having a par value of \$0.0001 per share. As provided in the Articles of Incorporation of the Corporation, the number of shares of Series B Preferred Stock may be increased or decreased by the Board of Directors of the Corporation from time to time, provided that the number of shares shall not be decreased below the number of shares then issued and outstanding.

Section 2. Dividends. The holders of the Series B Preferred Stock shall be entitled to participate with the holders of Common Stock in any dividends paid or set aside for payment (other than dividends payable solely in shares of Common Stock) so that holders of the Series B Preferred Stock shall receive with respect to each share of Series B Preferred Stock an amount equal to (x) the dividend payable with respect to each share of Common Stock multiplied by (y) the number of shares (and fraction of a share, if any) of Common Stock into which such share of Series B Preferred Stock is convertible as of the record date for such dividend. Any such dividend shall be paid with respect to all then outstanding shares of Common Stock, Series A Preferred Stock, and Series B Preferred Stock on a *pari passu* basis and on an as-converted to common basis. No dividends shall be paid on the Common Stock or Series A Preferred Stock unless an equivalent dividend is paid with respect to the Series B Preferred Stock in accordance with this Section 2.

Section 3. Liquidation Preference.

(a) Preference.

(i) In the event of any liquidation, dissolution, or winding up of the Corporation, either voluntarily or involuntarily (each, a "Liquidation Event"), 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 Common Stock of the Corporation, an amount (the "Series B Liquidation Preference") equal to the greater of: (A) the sum of \$2.75 per share, subject to adjustment as provided herein; or (B) such amount per share as would have been payable had all shares of Series B Preferred Stock been converted into Common Stock pursuant to Section 5 immediately prior to such Liquidation Event. If, upon such Liquidation Event and after the payment of preferential amounts required to be paid to holders of any series of Preferred Stock having a ranking upon liquidation senior to the Series B Preferred Stock, the assets of the Corporation available for distribution to the shareholders of the Corporation are insufficient to provide for both the payment of the full Series B Liquidation Preference and the preferential amounts (if any) required to be paid to holders of any other series

of Preferred Stock having a ranking upon liquidation *pari passu* with the Series B Preferred Stock (including the Series A Preferred Stock), such assets as are so available shall be distributed among the holders of the Series B Preferred Stock and the holders of any other series of Preferred Stock having a ranking upon liquidation *pari passu* with the Series B Preferred Stock (including the Series A Preferred Stock) in proportion to the relative aggregate preferential amount each such holder is otherwise entitled to receive.

(ii) After the payment or the setting apart for payment to the holders of the Series B Preferred Stock and to the holders of any other series of Preferred Stock having a ranking upon liquidation senior to the Common Stock (including the Series A Preferred Stock) of the preferential amounts so payable to them, if assets remain in the Corporation, the holders of the Common Stock of the Corporation shall receive all of the remaining assets of the Corporation pro rata in accordance with the number of shares of Common Stock held by them.

(iii) All amounts per share set forth in this Section 3(a) shall be appropriately adjusted for any stock splits, stock combinations, stock dividends, or similar recapitalizations.

(b) Noncash Distributions. If any of the assets of the Corporation are to be distributed for any purpose in a form other than in cash under this Section 3, then the Board of Directors of the Corporation shall promptly engage independent competent appraisers to determine the value of the assets to be distributed to the holders of Series B Preferred Stock, any other series of Preferred Stock and/or Common Stock, as applicable. The Corporation shall, upon receipt of such appraiser's valuation, give prompt written notice of the appraiser's valuation to each holder of shares of Series B Preferred Stock, any other series of Preferred Stock and/or Common Stock, as applicable.

(c) Consolidation or Merger. Except as provided in Section 5(b) herein, a consolidation or merger of the Corporation with or into any other corporation or corporations, or a sale of all or substantially all of the assets of the Corporation, shall be deemed to be a Liquidation Event within the meaning of this Section 3 unless the holders of a majority of the Series B Preferred Stock, voting together as a single class, determine that such an event is not to be deemed a Liquidation Event for purposes of this Section 3. The provisions of this Section 3(c) shall not apply to any consolidation or merger following which the holders of more than 50% of the capital stock of the resulting or surviving entity, based on voting power in the election of directors, are persons or entities who were shareholders of the Corporation immediately prior to such consolidation or merger.

Section 4. Voting Rights.

(a) General. On all matters presented for the vote or written consent of the shareholders of the Corporation, the holder of each share of Series B Preferred Stock shall be entitled to the number of votes equal to the number of votes held by the number of shares of Common Stock into which such share of Series B Preferred Stock could be converted under Section 5 below on the record date for the vote or written consent of shareholders and, except as otherwise required by applicable law, shall have voting rights and powers equal to the voting rights and powers of the Common Stock. The holder of each share of Series B Preferred Stock

shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of the Corporation, and, the holders of the Series B Preferred Stock shall vote together with the holders of the Common Stock of the Corporation as a single class and as a single voting group upon all matters submitted to a vote or written consent of shareholders, except those matters required to be submitted to a class or series vote pursuant to this Certificate of Designation or applicable law. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the application of the above formula (after aggregating all shares of Common Stock into which shares of Series B Preferred Stock held by each respective holder could be converted) shall be rounded to the nearest whole number (with an exact one-half share being rounded upward to one).

(b) Election of Directors. The holders of record of a majority of the issued and outstanding shares of Series B Preferred Stock, voting exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the "**Series B Director**"). The Series B Director may be removed without cause by, and only by, the affirmative vote of the holders of record of a majority of the issued and outstanding shares of Series B Preferred Stock, given either at a special meeting of such shareholders duly called for that purpose or pursuant to a written consent of shareholders. If the holders of shares of Series B Preferred Stock fail to elect a Series B Director, voting exclusively and as a separate class, pursuant to the first sentence of this Subsection 4(b), then such directorship shall remain vacant until such time as the holders of a majority of the issued and outstanding shares of the Series B Preferred Stock elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by shareholders of the Corporation other than by the holders of the Series B Preferred Stock that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. At any meeting held for the purpose of electing the Series B Director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the Series B Preferred Stock shall constitute a quorum for the purpose of electing such Series B Director. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Series B Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. The rights of the holders of the Series B Preferred Stock under the first sentence of this Subsection 4(b) shall terminate on the first date on which there are issued and outstanding less than 2,000,000 shares of Series B Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock).

Section 5. Conversion. The Series B Preferred Stock shall be convertible into Common Stock (subject to the provisions of Section 5(d) below), as follows:

(a) Right to Convert. Each share of Series B Preferred Stock shall be convertible at the office of the Corporation, at the option of the holder thereof, at any time after the date of issuance of such share. Each share of Series B Preferred Stock shall be convertible into the number of shares of Common Stock (subject to the provisions of Section 5(d) below) which results from dividing the Conversion Price per share in effect at the time of conversion into the "Conversion Value" per share. The number of shares of Common Stock into which a share of Series B Preferred Stock is convertible is hereinafter referred to as the "Conversion

Rate." Both the Conversion Price per share of Series B Preferred Stock (the "Conversion Price") and the Conversion Value per share of Series B Preferred Stock (the "Conversion Value") initially in effect shall be \$2.75 per share. Accordingly, the Conversion Rate initially in effect shall be 1:1. The initial Conversion Price of Series B Preferred Stock shall be subject to adjustment as hereinafter provided.

(b) Automatic Conversion. Each share of Series B Preferred Stock shall convert automatically into shares of Common Stock (subject to the provisions of Section 5(d) below) at its then effective Conversion Rate immediately prior to the closing of any of the following: (i) any public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering any of the Corporation's securities; (ii) a consolidation or merger of the Corporation with or into any other corporation, if as a direct result of such consolidation or merger the Corporation's securities, or securities for which the Corporation's securities are exchanged, are publicly traded on any national or regional exchange or on the Nasdaq National Market or SmallCap Market, or quoted on the Over The Counter Bulletin Board, or registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended; (iii) a consolidation or merger of the Corporation with or into any other corporation or a sale of substantially all of the assets of the Corporation, if as a direct result of such consolidation or merger the holders of shares of Common Stock of the Corporation will receive cash, securities or other property having at such time a value per share at least equal to the applicable Conversion Price of the Series B Preferred Stock; or (iv) upon the vote or written consent of the holders of more than 50% of the issued and outstanding shares of the Series B Preferred Stock.

(c) Mechanics of Conversion. Before any holder of Series B Preferred Stock shall be entitled to convert the same into shares of Common Stock as provided in Section 5(a), that holder shall surrender the certificate or certificates for his or her shares of Series B Preferred Stock, duly endorsed, at the office of the Corporation and shall give written notice to the Corporation at such office that he or she elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such converting holder of Series B Preferred Stock a certificate or certificates for the number of shares of Common Stock to which the converting holder shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such 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.

In the event of an automatic conversion pursuant to Section 5(b), the outstanding shares of Series B Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless either (i) the certificates evidencing such shares of Series B Preferred Stock are delivered to the Corporation as provided above, or (ii) the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after delivery of such certificates, or of

such agreement and indemnification in the case of a lost certificate, issue and deliver at its office to such holder of Series B Preferred Stock a certificate or certificates for the number of shares of Common Stock to which the holder shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock. With respect to a conversion pursuant to clause (i) of Section 5(b), Such conversion shall be deemed to have been made immediately prior to and shall be contingent upon the closing of the public Offering, 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.

(d) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series B Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Conversion Price.

(e) Adjustment of Conversion Price. The Conversion Price of the Series B Preferred Stock shall be subject to adjustment from time to time as follows:

(i) If the Corporation shall issue any Common Stock or other securities of the Corporation convertible into or exchangeable for Common Stock (other than "Excluded Stock," as defined below, or stock dividends, subdivisions, split-ups, or combinations, which such events are covered by subparagraphs 5(e)(iii), (iv), and (v)), for a consideration per share less than the Conversion Price for the Series B Preferred Stock as in effect immediately prior to the issuance of such Common Stock (or other securities convertible into or exchangeable for Common Stock), then the Conversion Price for such series shall forthwith be decreased immediately after such issuance to a price equal to the quotient obtained by dividing:

(A) an amount equal to the sum of: (x) the total number of shares of Common Stock outstanding (including any shares of Common Stock deemed to have been issued pursuant to subdivision (3) of this subparagraph (i)) immediately prior to such issuance multiplied by the Conversion Price in effect immediately prior to such issuance plus (y) the consideration received by the Corporation upon such issuance, by

(B) the total number of shares of Common Stock outstanding (including any shares of Common Stock deemed to have been issued pursuant to subdivision (3) of this subparagraph (i)) immediately after the issuance of such Common Stock (or other securities convertible into or exchangeable for Common Stock).

For purposes of making any such calculation pursuant to this subparagraph (i), the shares of Common Stock issuable upon conversion of the outstanding shares of Series B Preferred Stock, together with any other shares of Common Stock deemed issued and outstanding pursuant to subdivision (3) of this subparagraph (i), shall be deemed issued and outstanding at all times. For the purposes of this subparagraph (i), the following provisions shall also be applicable:

(1) In the case of the issuance of Common Stock for cash, the consideration received therefor shall be deemed to be the amount of cash paid

therefor without deducting any discounts or commissions paid or incurred by the Corporation in connection with the issuance and sale thereof.

(2) In the case of the issuance of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors of the Corporation.

(3) In the case of the issuance of (i) options to purchase or rights to subscribe for Common Stock (other than Excluded Stock), (ii) securities by their terms convertible or exchangeable for Common Stock (other than Excluded Stock), or (iii) options to purchase or rights to subscribe for such convertible or exchangeable securities:

(aa) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options to purchase or rights to subscribe for Common Stock shall be deemed to be issuable for a consideration equal to the consideration (determined in the manner provided in subdivisions (1) and (2) above), if any, received by the Corporation upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common Stock covered thereby;

(bb) the aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to be issuable for a consideration equal to the consideration received by the Corporation for any such securities and related options or rights, plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subdivisions (1) and (2) above);

(cc) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such options or rights or securities were issued, provided that the consideration for which such Common Stock is deemed to be issuable does not exceed the

issuance price of securities issued in the latest bona fide round of financing by the Corporation;

(dd) on any change in the number of shares of Common Stock deliverable upon exercise of any such options or rights or conversion of or exchange for such convertible or exchangeable securities, or on any change in the minimum purchase price of such options, rights, or securities, other than a change resulting from any anti-dilution provisions of such options, rights, or securities, the Conversion Price shall forthwith be readjusted to such Conversion Price as would have obtained had the adjustment (and any subsequent adjustments) made upon (x) the issuance of such options, rights, or securities not exercised, converted, or exchanged prior to such change, as the case may be, been made upon the basis of such change or (y) the options or rights related to such securities not converted or exchanged prior to such change, as the case may be, been made upon the basis of such change; and

(ee) on the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price shall forthwith be readjusted to such Conversion Price as would have obtained had the adjustment (and any subsequent adjustments) made upon the issuance of such options, rights, convertible or exchangeable securities or options or rights related to such convertible or exchangeable securities, as the case may be, been made upon the basis of the issuance of only the number of shares of Common Stock actually issued upon the exercise of such options or rights, upon the conversion or exchange of such convertible or exchangeable securities or upon the exercise of the options or rights related to such convertible or exchangeable securities, as the case may be.

(ii) For the purposes of subparagraph (i) "Excluded Stock" shall mean:

(A) all shares of Common Stock issued and outstanding on the date this document is filed with the Florida Secretary of State;

(B) all shares of Common Stock into which shares of the Series A Preferred Stock or Series B Preferred Stock are convertible;

(C) all shares of Common Stock issued to, or issuable upon exercise of options or other securities (including options, warrants, and other purchase rights) issued to, employees, officers, directors, members of the Corporation's scientific advisory board, contractors or consultants of the Corporation and approved or ratified by the Board of

Directors of the Corporation or a committee of the Board of Directors of the Corporation;
and

(D) all shares of Common Stock issued to, or issuable upon exercise of options or other securities (including options, warrants, and other purchase rights) issued to, banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved or ratified by the Board of Directors of the Corporation or a committee of the Board of Directors of the Corporation; and

(E) all shares of Common Stock issued to, or issuable upon exercise of options or other securities (including options, warrants, and other purchase rights) issued to, suppliers or third party service providers in connection with the provision of goods or services pursuant to a transaction approved or ratified by the Board of Directors of the Corporation or a committee of the Board of Directors of the Corporation.

Shares of Excluded Stock described in (C) of this subparagraph 5(e)(ii) shall not be deemed to be outstanding for purposes of the computations of subparagraph 5(e)(i) above until actually issued.

(iii) If the number of shares of Common Stock outstanding at any time after the date hereof is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, on the date such dividend is distributed or such change is effective, the Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of the Series B Preferred Stock shall be increased in proportion to such increase of outstanding shares.

(iv) If the number of shares of Common Stock outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of Common Stock, then, on the effective date of such combination, the Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of the Series B Preferred Stock shall be decreased in proportion to such decrease in outstanding shares.

(v) In case the Corporation shall declare a cash dividend upon its Common Stock payable otherwise than out of retained earnings or shall distribute to holders of its Common Stock shares of its capital stock (other than Common Stock), stock or other securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Corporation convertible into or exchangeable for Common Stock), then, in such case, the holders of shares of Series B Preferred Stock shall, concurrently with the distribution to holders of Common Stock, receive a like distribution based upon the number of shares of Common Stock into which such Series B Preferred Stock is then convertible.

(vi) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up, or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a

consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common Stock), or the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, then effective upon the occurrence of such reorganization, reclassification, consolidation, merger, sale or other disposition, the shares of Series B Preferred Stock shall, if such event is not deemed a Liquidation Event for purposes of Section 3(a), be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed which such holder would have been entitled to receive if such holder had converted his or her shares of Series B Preferred Stock into Common Stock immediately prior to such reorganization, reclassification, consolidation, merger, sale, or other disposition. The provisions of this subparagraph (v) shall apply in a similar manner to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(vii) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(f) Minimal Adjustments. No adjustment in a Conversion Price need be made if such adjustment would result in a change in such Conversion Price of less than \$0.01. Any adjustment of less than \$0.01 which is not made shall thereafter be disregarded for all purposes.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a 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 setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon written request at any time from 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 and Conversion Rate in effect at the time for the Series B Preferred Stock held by such holder, 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 such holder's Series B Preferred Stock.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, the Corporation shall mail to each holder of Series B Preferred Stock, at least twenty (20) days prior to the date on which such record is to be taken for the purpose of such dividend or distribution, a notice specifying the date on which such record is to be taken and the nature and amount of the dividend or distribution for which such record date has been established.

(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. 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, then the Corporation will promptly 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.

(j) Notices. Any notice required by the provisions of this Section 5 to be given to the holders of shares of the Series B Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his or her latest address appearing on the books of the Corporation.

Section 6. Protective Provisions. In addition to any other rights and restrictions provided under applicable law, except as otherwise provided in Section 7 below, without first obtaining the affirmative vote or written consent of the holders of a majority of the then-outstanding shares of Series B Preferred Stock, the Corporation shall not amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or this Certificate of Designation if such action would adversely alter or change the preferences, rights, privileges, or powers of, or restrictions provided for the benefit of, the Series B Preferred Stock.

Section 7. New Classes or Series of Shares. The Corporation shall not create authorize or issue any new class or series of shares having preferences over any outstanding share of Series B Preferred Stock, as to dividends or assets or any other rights or preferences, without first obtaining the affirmative vote or written consent of the holders of a majority of the then-outstanding shares of Series B Preferred Stock. For the avoidance of doubt, nothing in this Certificate of Designation shall prevent the Corporation from creating, authorizing or issuing any new class or series of shares *pari passu* with any outstanding share of Series B Preferred Stock, as to dividends or assets or any other rights or preferences, and any such action by the Corporation shall not require any vote or written consent of the holders of the Series B Preferred Stock. The Series B Preferred Stock issued under this Certificate of Designation shall in all respects be *pari passu* with the Series A Preferred Stock.

Section 8. Preemptive Rights. Each holder of Series B Preferred Stock who is an "accredited investor" as defined in Rule 501(a) of Regulation D of the Securities Act of 1933 as of the date of an Offer Notice, as defined in Section 8(b) below (a "Qualifying Holder") shall have the right of first refusal to purchase any New Securities (as defined in this Section 8) that the Corporation may, from time to time, propose to sell and issue. This right shall be subject to the following provisions:

(a) New Securities Defined. "New Securities" shall mean any Common Stock or Preferred Stock of the Corporation, whether now authorized or not, and rights, options or warrants to purchase said Common Stock or Preferred Stock, and securities of any type whatsoever that are, or may become, convertible into said Common Stock or Preferred Stock; provided that "New Securities" does not include (i) any shares of Common Stock issuable upon the conversion of shares of Series A Preferred Stock, Series B Preferred Stock or any other outstanding series of Preferred Stock of the Corporation; (ii) securities offered to the public pursuant to a registration statement under the federal Securities Act of 1933, as amended, covering any of the Corporation's securities; (iii) securities issued pursuant to the acquisition by the Corporation of any product, technology, know-how or another corporation, limited liability

company, or other entity by merger, purchase of all or substantially all of the assets, or any other merger, acquisition or reorganization whereby the Corporation owns over fifty percent (50%) of the voting power of the surviving entity; (iv) shares of the Common Stock or Preferred Stock issued in connection with any stock split, stock dividend or recapitalization by the Corporation; and (v) all options, warrants, and other purchase rights, and all shares of Common Stock issued to, or issuable upon exercise thereof, issued to employees, officers, directors, members of the Corporation's scientific advisory board, contractors or consultants of the Corporation and approved or ratified by the Board of Directors of the Corporation or a committee of the Board of Directors of the Corporation; (vi) all shares of Common Stock or Preferred Stock issued to, or issuable upon exercise of options or other securities (including options, warrants, and other purchase rights) issued to, banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved or ratified by the Board of Directors of the Corporation or a committee of the Board of Directors of the Corporation; (vii) all shares of Common Stock or Preferred Stock issued to, or issuable upon exercise of options or other securities (including options, warrants, and other purchase rights) issued to, suppliers, service providers or other third parties in connection with a joint venture, strategic relationship, research, development or product distribution agreement, or the provision of goods or services pursuant to a transaction approved or ratified by the Board of Directors of the Corporation or a committee of the Board of Directors of the Corporation; and (viii) any right, option or warrant to acquire any security convertible into the securities excluded from the definition of New Securities pursuant to clauses (i) through (vii).

(b) In the event the Corporation proposes to undertake an issuance of New Securities, it shall give each Qualifying Holder written notice (the "Offer Notice") of its intention, describing the type of New Securities, the price, the anticipated closing date of the offering thereof, and the terms upon which the Corporation proposes to issue the same. Such holder shall be entitled at any time during the offering of the New Securities, to purchase some or all of his, her or its Pro Rata Portion (as defined in Section 8(c) hereof) of such New Securities for the price and upon the terms specified in the Offer Notice, by giving, within ten (10) days after receiving the Offer Notice from the Corporation, written notice to the Corporation of such election stating therein the portion of the Pro Rata Portion being purchased, and the time and place of the closing of such purchase.

(c) For purposes of this Section 8, each holder's "Pro Rata Portion" shall be equal to a fraction, (i) the numerator of which is the number of shares of Common Stock into which such Qualifying Holder's shares of Series A Preferred Stock and Series B Preferred Stock could be converted if fully converted immediately prior to such issuance of New Securities, and (ii) the denominator of which shall be the total number of shares of Common Stock outstanding (as determined pursuant to this Section 8(c)) immediately prior to such issuance of New Securities. For purposes of determining the total number of shares of Common Stock outstanding in calculating each Qualifying Holder's Pro Rata Portion, the aggregate maximum number of shares of Common Stock deliverable upon exercise, conversion, and/or exchange of any (i) options to purchase or rights to subscribe for Common Stock, (ii) securities by their terms convertible or exchangeable for Common Stock, or (iii) options to purchase or rights to subscribe for such convertible or exchangeable securities, shall be deemed to have been issued at the time such options or rights or securities were issued, provided that the consideration for which such Common Stock is deemed to be issuable does not exceed the price of the New Securities or the

price for which such Common Stock is deemed to be issuable with respect to the New Securities, as applicable.

(d) Notwithstanding any provision hereof to the contrary, in lieu of complying with the provisions of this Section 8, the Corporation may elect to give notice to the Qualified Holders within thirty (30) days after the issuance of New Securities. Such notice shall describe the type, price, and terms of the New Securities. Each Qualified Holder shall have ten (10) days from the date notice is given to elect to purchase up to the number of New Securities that such Qualified Holder would have been entitled to purchase under the procedure set forth in Section 8(b), calculated as set forth therein. The closing of such sale shall occur within sixty (60) days of the date notice is given to the Qualified Holders.

(e) Any Qualifying Holder of Series B Preferred Stock that exercises its right of refusal with respect to an offering of New Securities granted under this Section 8, including any purchase of New Securities pursuant to Section 8(d), shall be deemed to have waived such Qualifying Holder's right to receive, and shall not be entitled to receive, any securities to be issued to the holders of Series B Preferred Stock pursuant to the anti-dilution rights granted under Section 5(e) hereof with respect to such issuance of New Securities.

(f) If all New Securities proposed to be issued by the Corporation are not elected to be purchased by the Qualifying Holder as provided in Section 8(b) hereof, the Corporation may, during the one hundred eighty (180)-day period following the expiration of the ten (10)-day period provided in Section 8(b), offer the remaining unsubscribed portion of New Securities to any third party at a price not less than, and upon terms no more favorable to, those specified in the Offer Notice. If the Corporation does not enter into an agreement for the sale of the New Securities within such period, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first re-offered to the Qualifying Holders of Series B Preferred Stock in accordance with this Section 8.

(g) Any offer by the Corporation of securities in addition to those specified in the Offer Notice, whether on the same or different terms as are specified therein, shall again require compliance by the Corporation with the terms of this Section 8.

(h) The rights granted in this Section 8 shall terminate immediately prior to (i) any public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering any of the Corporation's securities; (ii) a consolidation or merger of the Corporation with or into any other corporation, if as a direct result of such consolidation or merger the Corporation's securities, or securities for which the Corporation's securities are exchanged, are publicly traded on any national or regional exchange or on the Nasdaq National Market or SmallCap Market, or quoted on the Over The Counter Bulletin Board, or registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended; or (iii) upon the vote or written consent of the holders of more than 50% of the issued and outstanding shares of the Series B Preferred Stock.

(i) The holders of more than 50% of the issued and outstanding shares of the Series B Preferred Stock shall have the right to waive the rights granted under this Section 8 on behalf of all of the holders of Series B Preferred Stock.