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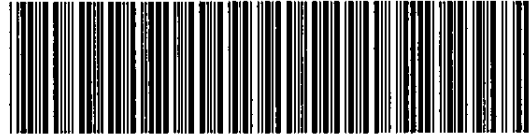
(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

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12 JUL -2 PM 4: 36
SECRETARY OF STATE
TALLAHASSEE, FL 32399

1 Burch, JUL 2 2012

COVER LETTER

Department of State
New Filing Section
Division of Corporations
P. O. Box 6327
Tallahassee, FL 32314

SUBJECT: Minerva Worldwide, Inc.
(PROPOSED CORPORATE NAME - MUST INCLUDE SUFFIX)

Enclosed are an original and one (1) copy of the articles of incorporation and a check for:

☐ \$70.00 Filing Fee
☐ \$78.75 Filing Fee
& Certificate of Status

☒ \$78.75 Filing Fee
& Certified Copy
☐ \$87.50 Filing Fee,
Certified Copy
& Certificate of
Status
ADDITIONAL COPY REQUIRED

FROM: Charles Culver
Name (Printed or typed)

3250 Mary Street, Suite 103
Address

Coconut Grove, FL 33133
City, State & Zip

(786) 235-8572, Ext. 100
Daytime Telephone number

c.culver@minervaworldwide.com
E-mail address: (to be used for future annual report notification)

NOTE: Please provide the original and one copy of the articles.

ARTICLES OF INCORPORATION

In compliance with Chapter 607 and/or Chapter 621, F.S. (Profit)

ARTICLE I NAME Minerva Worldwide, Inc.

The name of the corporation shall be:

ARTICLE II PRINCIPAL OFFICE

Principal street address

3250 Mary Street, Suite 103
Coconut Grove, FL 33133

Mailing address, if different is:

ARTICLE III PURPOSE

The purpose for which the corporation is organized is:

To engage in any business, trade, or activity which may be conducted lawfully by a corporation organized under the Florida Business Corporation Act.

ARTICLE IV SHARES

The number of shares of stock is: See Exhibit "A" Annexed.

ARTICLE V INITIAL OFFICERS AND/OR DIRECTORS

Name and Title: Charles Culver, President & Director Name and Title: _____

Address: 3250 Mary Street, Suite 103 Address: _____
Coconut Grove, FL 33133

Name and Title: _____

Address: _____

Name and Title: _____

Address: _____

Name and Title: _____

Address: _____

Name and Title: _____

Address: _____

ARTICLE VI REGISTERED AGENT

The name and Florida street address (P.O. Box NOT acceptable) of the registered agent is:

Name: Charles Culver
Address: 3250 Mary Street, Suite 103
Coconut Grove, FL 33133

ARTICLE VII INCORPORATOR

The name and address of the Incorporator is:

Name: Charles Culver
Address: 3250 Mary Street, Suite 103
Coconut Grove, FL 33133

Having been named as registered agent to accept service of process for the above stated corporation at the place designated in this certificate, I am familiar with and accept the appointment as registered agent and agree to act in this capacity

[Signature]
Required Signature/Registered Agent

6/25/12
Date

I submit this document and affirm that the facts stated herein are true. I am aware that the false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S.

[Signature]
Required Signature/Incorporator

6/25/12
Date

FILED
12 JUL -2 PM 4:36
SECRETARY OF STATE
TALLAHASSEE, FL 32399

EXHIBIT "A"

ATTACHMENT TO ARTICLES OF INCORPORATION OF MINERVA WORLDWIDE, INC.

ARTICLE IV SHARES

The amount of the total authorized capital stock of the corporation shall be ^{one}~~two~~ hundred ten million (110,000,000) shares consisting of one hundred million (100,000,000) shares of Common Stock, \$.001 par value per share, and ten million (10,000,000) shares of Preferred Stock consisting of seven million one hundred forty thousand (7,140,000) shares of Preferred Stock, \$.001 par value per share, and two million eight hundred sixty thousand (2,860,000) shares of Series "A" Preferred Stock, \$.001 par value per share, and the designations, preferences, limitations and relative rights of the shares of each such class are as follows:

A. Common Shares

(a) The rights of holders of the Common Shares to receive dividends or share in the distribution of assets in the event of liquidation, dissolution or winding up of the affairs of the Corporation shall be subject to the preferences, limitations and relative rights of the Preferred Shares fixed in the resolution or resolutions which may be adopted from time to time by the Board of Directors of the Corporation providing for the issuance of one or more series of the Preferred Shares.

(b) The holders of the Common Shares shall be entitled to one vote for each share of Common Shares held by them of record at the time for determining the holders thereof entitled to vote.

B. Preferred Shares

The corporation may divide and issue the Preferred Shares into series. Preferred Shares of each series, when issued, shall be designated to distinguish it from the shares of all other series of the class of Preferred Shares. The Board of Directors is hereby expressly vested with authority to fix and determine the relative rights and preferences of the shares of any such series so established to the fullest extent permitted by these Articles of Incorporation and the Colorado Business Corporation Act in respect to the following:

- (a) The number of shares to constitute such series, and the distinctive designations thereof;
- (b) The rate and preference of dividend, if any, the time of payment of dividend, whether dividends are cumulative and the date from which any dividend shall accrue;
- (c) Whether the shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption;
- (d) The amount payable upon shares in the event of involuntarily liquidation;
- (e) The amount payable upon shares in the event of voluntary liquidation;
- (f) Sinking fund or other provisions, if any, for the redemption or purchase of shares;
- (g) The terms and conditions on which shares may be converted, if the shares of any Series "A" reissued with the privilege of conversion;
- (h) voting powers, if any; and

(i) Any other relative rights and preferences of shares of such series, including, without limitation, any restriction on an increase in the number of shares of any series theretofore authorized and any limitation or restriction of rights or powers to which shares of any further series shall be subject.

The Board of Directors is also vested with the authority to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Shares and, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, to increase or decrease (but not below the number of shares of such series then outstanding) the number of shares of any such series subsequent to the issuance of shares of that series.

The designation, preferences, limitations and relative rights of the Series "A" Preferred Stock are as follows:

Series "A" Preferred Stock

(a) Designation of Series.

This series of Preferred Stock shall be designated as "Series 'A' Preferred Stock" and the number of shares of such series shall be two million eight hundred sixty thousand (2,860,000).

(b) Dividends.

The holders of outstanding shares of Series "A" Preferred Stock shall be entitled to receive in any calendar year, on an equal priority basis, when, as and if declared by the Board of Directors, out of any assets at the time legally available therefor, dividends in cash at the rate per annum of 8% of the Series "A" Original Issue Price (as such term is defined below), payable in preference and priority to any payment of any cash dividend on Common Stock. The right to such cash dividends on the Series "A" Preferred Stock shall not be cumulative, and no right shall accrue to holders of Series "A" Preferred Stock by reason of the fact that dividends on such shares are not declared in any prior year. Payments of dividends to the holders of Series "A" Preferred Stock shall be made on a pro rata basis (on an as-if converted to Common Stock basis). No dividends shall be paid on any Common Stock until the dividends on the Series "A" Preferred Stock have been paid. If, after dividends in the full preferential amounts specified in this Subsection (b) for the Series "A" Preferred Stock have been paid or declared and set apart in any calendar year, the Board of Directors shall declare additional dividends out of funds legally available therefor in that calendar year, then such additional dividends shall be declared pro rata on the Common Stock and Series "A" Preferred Stock on a pari passu basis according to the number of shares of Common Stock held by such holders, where each holder of shares of Series "A" Preferred Stock is to be treated for this purpose as holding the greatest whole number of shares of Common Stock then issuable upon conversion of all shares of Series "A" Preferred Stock held by such holder.

The "Series "A" Original Issue Price" shall mean \$0.50 per share, subject to proportional adjustment in the event of any stock dividend, stock split, combination, recapitalization, reclassification or other similar event with respect to the Series "A" Preferred Stock.

(c) Voting Rights.

The holders of the Series "A" Preferred Shares shall be entitled to one (1) vote per share of Series "A" Preferred Stock held by them at any meeting of shareholders for the election of directors or upon any other matter.

(d) Liquidation.

(1) Priority of Payments. Upon a Liquidation Event (as defined below), the assets and funds legally available for distribution to shareholders of the Corporation ("Distributable Proceeds") shall be distributed as follows:

- (i) First, the holders of shares of Series "A" Preferred Stock then outstanding shall be entitled to be paid out of the Distributable Proceeds, before any payment is made to any holders of Common Stock, by reason of their ownership thereof, an amount equal to the Series "A" Original Issue Price per share of Series "A" Preferred Stock (the "Series "A" Liquidation Amount"). If, upon any such Liquidation Event, the Distributable Proceeds are insufficient to pay the holders of Series "A" Preferred Stock the full amount of the Series "A" Liquidation Amount, then all Distributable Proceeds shall be distributed ratably among the holders of Series "A" Preferred Stock in proportion to the preferential amount each such holder otherwise would have been entitled to receive.
- (ii) Second, upon the completion of the distribution of the Series "A" Liquidation Amount to the holders of Series "A" Preferred Stock as described above, any remaining Distributable Proceeds shall be distributed ratably among the holders of the Common Stock and Series "A" Preferred Stock, based upon the number of shares of Common Stock then held, with each share of Series "A" Preferred Stock treated as the number of shares of Common Stock into which such share of Series "A" Preferred Stock is then convertible.

(2) Liquidation Events

- (i) Definition. For purposes of this Subsection (d)(2), a "Liquidation Event" shall mean: (A) the closing of the sale, transfer or other disposition of all or substantially all of the Corporation's assets (including an exclusive license with respect to all or substantially all of the Corporation's intellectual property); (B) the consummation of a merger, share exchange or consolidation of the corporation with or into another entity (except where the holders of capital stock of the corporation as constituted immediately prior to such merger, share exchange or consolidation continue to hold at least 50% of the voting power of the capital stock of the corporation or the surviving or acquiring entity (or its parent entity) following such transaction); or (C) a liquidation, dissolution or winding up of the corporation (whether voluntary or involuntary); or (D) the closing of the sale, transfer or other disposition of all or substantially all of the capital stock of the corporation. Notwithstanding the foregoing, (1) a transaction under (B) or (D) of the prior sentence shall not constitute a Liquidation Event if its purpose is (x) to change the state of the Corporation's incorporation, or (y) to create a holding company that will be owned in substantially the same proportions by the persons who held the Corporation's securities immediately prior to such transaction; and (2) any transaction or event otherwise constituting a Liquidation Event under this paragraph shall be deemed to be exempt from such definition if the holders of three-quarters (3/4) of the then outstanding shares of the Corporation's capital stock having voting rights so agree by vote or written consent.
- (ii) Valuation of Consideration. If the consideration received in a Liquidation Event is other than cash or securities, its value will be deemed its fair market value as determined in good faith by the Board of Directors. Any securities shall be valued as follows:
 - (A) Securities not subject to investment letter or other similar restrictions on free marketability:
 - (1) The value of securities traded on a securities exchange shall be deemed to be the average of the closing prices of the securities on such exchange over the twenty trading-day period ending on the third trading day prior to the closing;

- (2) The value of securities actively traded over-the-counter shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the twenty trading-day period ending on the third trading day prior to the closing; and
- (3) The value of securities with no active public market shall be the fair market value thereof, as determined in good faith by the Board of Directors of the corporation.

(B) Securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall include an appropriate discount from the market value determined as above in Subsection (2)(ii)(A) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors.

(e) Conversion.

The holders of issued and outstanding shares of Series "A" Preferred Stock shall have the right to convert their respective shares into shares of Common Stock as provided in this Section (e).

- (1) Voluntary Conversion. Subject to Section (e)(3), 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 nonassessable shares of Common Stock as is determined by dividing the Series "A" Original Issue Price by the Series "A" Conversion Price (as defined below) in effect on the effective date of such conversion, as determined below. The initial Series "A" Conversion Price per share of Series "A" Preferred Stock (the "Series "A" Conversion Price") is \$0.50. Such initial Series "A" Conversion Price shall be subject to adjustment as set forth in Section (e)(4).
- (2) Automatic Conversion. Each issued and outstanding share of Series "A" Preferred Stock shall automatically be converted into shares of Common Stock at the Series "A" Conversion Price at the time in effect for each such series immediately upon the earlier of (A) the date specified for such conversion by the affirmative vote or consent of the holders of a majority of the outstanding shares of the Series "A" Preferred Stock voting together as a single class, and (B) the effective date of the registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to an underwritten public offering of the Corporation's common stock in which the public offering price per share is at least \$2.00 and results in gross proceeds to the corporation of at least \$15,000,000 (a "Qualified Public Offering").
- (3) Mechanics of Conversion. Before any holder of Series "A" Preferred Stock shall be entitled to convert such shares into shares of Common Stock under Section (e)(1) above, such holder shall (i) (A) surrender the certificate or certificates for the shares to be converted, duly endorsed, at the office of the corporation or of any transfer agent for such series of Preferred Stock, or (B) notify the corporation or its transfer agent that such certificates have been lost, stolen or destroyed and execute an agreement satisfactory to the corporation to indemnify the corporation from any loss incurred by it in connection with such certificates, and (ii) give written notice to the corporation at its principal corporate office of the election to convert such shares and shall state therein the name or names in which the certificate or certificates for the shares of Common Stock issuable upon such conversion are 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, or to the nominee or nominees of such holder, a

certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon such conversion. Such conversion shall be deemed to have been made immediately prior to the close of business on the date on which the requirements of the first sentence of this paragraph have been satisfied with respect to the shares of such series of 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 as of such date. In connection with any automatic conversion of Series "A" Preferred Stock under Section (e)(2) above, such conversion shall be deemed effective with respect to all shares of such Preferred Stock so converted as of the effective date of the vote or consent referred to in clause (e)(2)(A) with respect to the Series "A" Preferred Stock, or the effective date of the Qualified Public Offering registration statement referred to in clause (e)(2)(B), as applicable; provided, however, that if the automatic conversion is in connection with a Qualified Public Offering, the conversion may, at the option of any holder tendering such Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such Qualified Public Offering, in which event the person(s) entitled to receive the shares of Common Stock issuable upon conversion of such Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. The corporation shall, as soon as practicable after the effective date of any automatic conversion, issue and deliver, at the Corporation's principal corporate office, to each holder of Series "A" Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled upon such conversion, subject to any such holder first providing to the corporation the documentation referred to in clauses (i)(A) or (i)(B) of this paragraph. 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 as of the effective date of conversion as provided above.

In the event some but not all of the shares of Series "A" Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the corporation shall execute and deliver, at the Corporation's principal corporate office, to such holder of Series "A" Preferred Stock, or to the nominee or nominees of such holder, a new certificate representing the shares of Series "A" Preferred Stock that were not converted.

(4) Conversion Price Adjustments of Series "A" Preferred Stock for Certain Dilutive Issuances, Splits and Combinations. The Series "A" Conversion Price shall be subject to adjustment from time to time as follows:

(i) Issuance of Additional Stock below Purchase Price. If the Corporation shall issue, after the date of first issuance of shares of Series "A" Preferred Stock, any Additional Stock (as defined below) for a consideration per share less than the Series "A" Conversion Price in effect immediately prior to the issuance of such Additional Stock, then, in each such case, the Series "A" Conversion Price in effect immediately prior to such issuance shall automatically be adjusted as set forth in this Section (e)(4)(i), unless otherwise provided in this Section (e)(4)(i).

(A) Adjustment Formula. Whenever the Series "A" Conversion Price is adjusted pursuant to this Section (e)(4)(i), the new Series "A" Conversion Price shall be determined by multiplying the Series "A" Conversion Price in effect immediately prior to the issuance of Additional Stock by a fraction, (x) the numerator of which shall be the number of shares of Common Stock outstanding (or deemed to be outstanding pursuant to Section (e)(4)(i)(E) below) immediately prior to such issuance (the "Outstanding Common") plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance

would purchase at such Conversion Price; and (y) the denominator of which shall be the number of shares of Outstanding Common plus the number of shares of such Additional Stock.

(B) Definition of Additional Stock. For purposes of this Section (e)(4)(i), "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section (e)(4)(i)(E)) by the Corporation after the effective date of the Articles of Incorporation, other than:

- (1) Common Stock issued pursuant to a transaction described in Section (e)(4)(ii) hereof;
- (2) Capital stock, or warrants or options to purchase capital stock, issued to employees, directors, consultants or other service providers of the Corporation pursuant to a stock option plan or other compensatory agreements or arrangements approved by the Board of Directors;
- (3) Capital stock, or warrants or options to purchase capital stock, issued in connection with bona fide acquisitions, mergers or similar transactions;
- (4) Capital stock, or options or warrants to purchase capital stock, issued in connection with commercial credit arrangements, equipment financings, or similar transactions, plans or arrangements, provided that such transactions, plans or arrangements are effected primarily for purposes other than raising equity capital;
- (5) Common Stock issued or issuable upon conversion of the Series "A" Preferred Stock;
- (6) Common Stock issued or issuable in a Qualified Public Offering;
- (7) Capital stock, or options or warrants to purchase capital stock, issued in connection with strategic collaborations, development agreements, licensing transactions, consulting or vendor relationships or similar transactions, plans or arrangements, provided that such transactions, plans or arrangements are effected primarily for purposes other than raising equity capital;
- (8) Securities for which adjustment of the Series "A" Conversion Price is made pursuant to Section (e)(4)(i)(A);
- (9) Securities that are issued or become issuable upon conversion or exercise of other outstanding securities of the Corporation as a result of the operation of anti-dilution provisions which are contained in the original terms of such securities and which provide for anti-dilution adjustments under substantially the same

circumstances and according to the same adjustment formula as specified in Section (e)(4)(i)(A); or

- (10) Such additional securities that are designated in writing as excluded from the definition of Additional Stock by the holders of a majority of the Series "A" Preferred Stock.
- (C) No Fractional Adjustments. No adjustment of the Series "A" Conversion Price shall be made in an amount less than one hundredth of a cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three years from the date of the event giving rise to the adjustment being carried forward.
- (D) Determination of Consideration. In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions, compensations or concessions allowed, paid or incurred by the corporation for any underwriting or otherwise in connection with the issuance and sale thereof and without deductions of any other expenses paid by the corporation. 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 irrespective of any accounting treatment.
- (E) Deemed Issuances of Common Stock. In the case of the issuance of options or warrants to purchase, or other rights to subscribe for, shares of Common Stock, securities by their terms convertible into or exchangeable for Common Stock, or options or warrants to purchase, or other rights to subscribe for, such convertible or exchangeable securities, the following provisions shall apply for all purposes of this Section (e)(4)(i):
 - (1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential anti-dilution adjustments) of such options or warrants to purchase, or other rights to subscribe for, Common Stock shall be deemed to have been issued at the time such options, warrants or rights were issued and for a consideration equal to the consideration (determined in the manner provided in Section (e)(4)(i)(D)), if any, received by the Corporation upon the issuance of such options, warrants or rights plus the minimum exercise price provided in such options, warrants or rights (without taking into account potential anti-dilution adjustments) for the Common Stock covered thereby.
 - (2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential anti-dilution

adjustments) for any such convertible or exchangeable securities, or upon the exercise of options or warrants to purchase, or other 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 securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration, if any, received by the corporation for any such securities and related options, warrants or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the corporation (without taking into account potential anti-dilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options, warrants or rights (the consideration in each case to be determined in the manner provided in Section (e)(4)(i)(D)).

- (3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the corporation upon exercise of such options, warrants or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including without limitation a change resulting from the anti-dilution provisions thereof, the Series "A" Conversion Price, to the extent in any way affected by or computed using such options, warrants, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options, warrants or rights or the conversion or exchange of such securities.
- (4) Upon the expiration of any such options, warrants or rights, the termination of any such rights to convert or exchange or the expiration of any options, warrants or rights related to such convertible or exchangeable securities, the Series "A" Conversion Price, to the extent in any way affected by or computed using such options, warrants, rights or securities or options, warrants or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options, warrants or rights, upon the conversion or exchange of such securities or upon the exercise of the options, warrants or rights related to such securities.
- (5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Sections (e)(4)(i)(E)(1) and (e)(4)(i)(E)(2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section (e)(4)(i)(E)(3) or (e)(4)(i)(E)(4).
- (F) Increased Conversion Price. Notwithstanding any other provisions of this Section (e)(4)(i), except to the limited extent provided for in Sections (e)(4)(i)(E)(3) and d)(4)(i)(E)(4), no adjustment of the Series "A" Conversion Price pursuant to this Section (e)(4)(i) shall have the effect of increasing such Series "A" Conversion Price.

- (G) Waiver of Adjustment. Notwithstanding anything herein to the contrary, any downward adjustment of the Series "A" Conversion Price may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of the majority of the outstanding shares of the Series "A" Preferred Stock voting separately as a class. Any such waiver shall bind all future holders of shares of such series of Preferred Stock.
- (ii) Stock Splits and Dividends. In the event the Corporation should at any time or from time to time after the issuance of shares of Series "A" Preferred Stock fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend, distribution, split or subdivision if no record date is fixed), the Series "A" Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of Series "A" Preferred Stock shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and shares issuable with respect to Common Stock Equivalents, with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in Section (e)(4)(i)(E).
- (iii) Reverse Stock Splits. If the number of shares of Common Stock outstanding at any time after the issuance of shares of Series "A" Preferred Stock is decreased by a reverse split or combination of the outstanding shares of Common Stock, then, following the record date of such reverse split or combination, the Series "A" Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of Series "A" Preferred Stock shall be decreased in proportion to such decrease in outstanding shares of Common Stock.
- (5) Other Distributions. Subject to Section (b) above, in the event the corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the corporation or other persons, assets (excluding cash dividends) or options, warrants or rights not referred to in Section (e)(4)(ii), then, in each such case for the purpose of this Section (e)(5), the holders of each series of Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of 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.
- (6) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section (e) or in Section (d)), provision shall be made so that the holders of the Series "A" Preferred Stock shall thereafter be entitled to receive, upon conversion of such series of Preferred Stock, the number of shares of capital stock or other securities or property of the corporation (or otherwise) to which a holder of the Common Stock deliverable upon conversion of such series of Preferred Stock would have been entitled on such recapitalization if such Common Stock had been

outstanding at the time of such transaction. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section (e) with respect to the rights of the holders of such Preferred Stock after the recapitalization to the end that the provisions of this Section (e) (including adjustment of the Series "A" Conversion Price then in effect and the number of shares issuable upon conversion of such series of Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

(7) No Fractional Shares and Certificate as to Adjustments

- (i) No fractional shares shall be issued upon the conversion of any share or shares of Series "A" Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. The number of shares of Common Stock issuable to a holder upon such conversion shall be determined on the basis of the aggregate number of shares of all series of Preferred Stock that such holder is at the time converting into Common Stock.
- (ii) Upon the occurrence of each adjustment or readjustment of the Series "A" Conversion Price pursuant to this Section (e), 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 such 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 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 (A) such adjustment and readjustment, (B) the Series "A" Conversion Price at the time in effect, and (C) 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 a share of Series "A" Preferred Stock.

(8) Reservation of Common 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 the outstanding shares of 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 Series "A" Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including without limitation engaging in reasonable efforts to obtain the requisite shareholder approval of any necessary amendment to these Articles of Incorporation.

(9) Status of Converted or Repurchased Stock. In the event any shares of Series "A" Preferred Stock shall be converted pursuant to Section (e) hereof, or otherwise redeemed, purchased or acquired by the Corporation, the shares so converted, redeemed, repurchased or acquired shall be canceled and cease to be authorized and shall not be re-issuable by the corporation.

(10) No Impairment. The Corporation will not, through any reorganization, recapitalization, 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 (e) and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series "A" Preferred Stock against impairment. Notwithstanding the foregoing, nothing in this Section (e)(10) shall prohibit the corporation from amending the Articles of

Incorporation with the requisite consent of the Board of Directors and the Corporation's shareholders.

- (11) 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, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the corporation shall provide to each holder of Series "A" Preferred Stock, at least 10 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.
- (12) Notices. Any notice required by the provisions of this Section (e) to be given to the holders of shares of Series "A" Preferred Stock shall be given in accordance with the Corporation's Bylaws.

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