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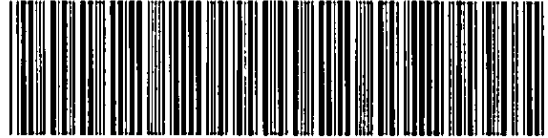
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OCT 09 2021
S. PRATHER

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: JM Prophecies Corporation

DOCUMENT NUMBER: P21000038233

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

Please return all correspondence concerning this matter to the following:

Simon Taylor

Name of Contact Person

JM Prophecies Corporation attorney

Firm/ Company

777 South Flagler Drive, Suite 800 West Tower

Address

West Palm Beach, Florida 33401

City/ State and Zip Code

staylorgeneral@att.net

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

For further information concerning this matter, please call:

Simon Taylor, Esq.

Name of Contact Person

at (561) 818-0170

Area Code & Daytime Telephone Number

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

☐ \$35 Filing Fee

☐ \$43.75 Filing Fee &
Certificate of Status

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

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

Mailing Address

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

Street Address

Amendment Section
Division of Corporations
The Centre of Tallahassee
2415 N. Monroe Street, Suite 810
Tallahassee, FL 32303

Articles of Amendment
to
Restated Articles of Incorporation
of
JM Prophecies Corporation

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2021 SEP 30 AM 9:57
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

to classify unissued shares as Series A Preferred Shares

(Document Number of the Corporation: P21000038233)

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida Profit Corporation adopts the following amendment to its Restated Articles of Incorporation, in order to classify unissued, authorized shares as Series A Preferred Shares of the Corporation.

The following sections are included in these Articles of Amendment in a form for filing suggested by the Florida Department of State, Division of Corporations.

A. Name of the Corporation. Not Applicable

The Corporation is not amending the name of the Corporation by these Articles of Amendment. The name of the Corporation remains JM Prophecies Corporation.

B. Principal Office Address. Not Applicable

The Corporation has not changed or amended its principal office address to a new principal office address.

C. Mailing Address. Not Applicable

The Corporation has not changed or amended its mailing address to a new mailing address.

D. Registered Agent, Registered Office and Officers and Directors. Not Applicable

The Corporation is not amending the registered agent or registered office of the Corporation by these articles of Amendment. The Corporation is not amending its officers or directors by these Articles of Amendment.

E. Amendment to Add Additional Section to Article II of the Restated Articles of Incorporation.

To classify and designate a number of unissued, previously authorized preferred shares of the Corporation as "Series A Preferred Shares", the Corporation hereby adds the following new Section (B)(5) to Article II of the Restated Articles of Incorporation of the Corporation.

The authorization for the Corporation's Board of Directors to make this classification and determination of terms for Series A Preferred Shares is set forth in the existing Sections (B)(1), (B)(2) and (B)(4) of Article II of the Restated Articles of Incorporation and is in accordance with Florida Statutes Sections 607.0601 and 607.0602. The Corporation is organized, and the Series A Preferred Shares are classified, for the purpose of investing in qualified opportunity zone property (other than another qualified opportunity zone fund), in accordance with 26 U.S.C. Section 1400z-2 et seq. of the Internal Revenue Code and the regulations promulgated thereunder, and any and all lawful business.

In accordance with Florida Statutes Section 607.0602(5)(b), the text of the amendment to Article II, to add a Section (B)(5) determining the terms of the class and series of the Series A Preferred Shares, is as set forth in the attached "Attachment Setting Forth Series A Preferred Terms", which Attachment is incorporated in and made a part of these Articles of Amendment.

F. Issued Shares Exchange, Reclassification or Cancellation. Not Applicable

No amendment in these Articles of Amendment provides for an exchange, reclassification or cancellation of issued shares of the Corporation.

The date of adoption of the amendment: September 24, 2021

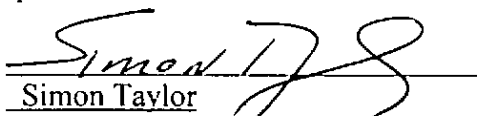
Effective date: September 29, 2021

Adoption of the amendment. The amendment set forth in these Articles of Amendment was duly adopted by the Board of Directors of the Corporation without shareholder action, and shareholder action was not required.

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 Section 817.155 of the Florida Statutes.

Dated: as of September 24, 2021

Signature:


Simon Taylor
(Name of Person Signing)
Secretary
(Title of Person Signing)

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2021 SEP 30 AM 9:57
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Attachment Setting Forth Series A Preferred Terms
in Articles of Amendment of Articles of Incorporation of
JM Prophecies Corporation

E. Amendment to Add Additional Section to Article II of the Restated Articles of Incorporation.

To classify and designate a number of unissued, previously authorized preferred shares of the Corporation as “Series A Preferred Shares”, the Corporation hereby adds the following new Section (B)(5) to Article II of the Restated Articles of Incorporation of the Corporation.

The authorization for the Corporation’s Board of Directors to make this classification and determination of terms for Series A Preferred Shares is set forth in the existing Sections (B)(1), (B)(2) and (B)(4) of Article II of the Restated Articles of Incorporation and is in accordance with Florida Statutes Sections 607.0601 and 607.0602. The Corporation is organized, and the Series A Preferred Shares are classified, for the purpose of investing in qualified opportunity zone property (other than another qualified opportunity zone fund), in accordance with 26 U.S.C. Section 1400z-2 et seq. of the Internal Revenue Code and the regulations promulgated thereunder, and any and all lawful business.

In accordance with Florida Statutes Section 607.0602(5)(b), the text of the amendment to Article II to add a Section (B)(5) determining the terms of the class and series of the Series A Preferred Shares is as set forth below:

Article II, Section (B)

(5) Series A Preferred Shares.

(5.1) Classification and Designation of Series A Preferred Shares. Eighty thousand (80,000) shares of the authorized and unissued preferred stock of the Corporation are hereby classified and designated as “Series A Preferred Shares”, with the rights, preferences, powers, privileges, limitations, restrictions, qualifications and relative rights set forth in this Section (B)(5). Unless otherwise indicated, references to “Sections” or “Subsections” in this Article II, Section (B)(5), refer to sections and subsections of this Article II(B)(5) of the Corporation’s Restated Articles of Incorporation as amended .

(5.2) Series A Preferred Terms on Liquidation, Dissolution or Winding Up.

(5.2.1) Preferential Payments to Holders of Series A Preferred Shares. (a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, including any Deemed Liquidation Event (as defined below), the holders of Series A Preferred

Shares then outstanding shall be entitled to be paid the following Series A Preferred Amounts (as defined below) out of the assets of the Corporation available for distribution to its shareholders, or in the case of an event deemed to be a Deemed Liquidation Event out of the consideration payable to shareholders in such Deemed Liquidation Event or the Available Proceeds (as defined below), before any payment shall be made to the holders of common stock of the Corporation ("Common Stock") by reason of their ownership of Common Stock:

(i) an amount per share equal to the Series A Original Issue Price (as defined below); and

(ii) an amount equal to ten times (10X) the aggregate Common Stock Consideration (as defined below) of all Common Stock issued and outstanding immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event; and

(iii) the amount of any dividends declared but unpaid on the Series A Preferred Shares (each such amount provided for in items (i), (ii) and (iii) above, a "Series A Preferred Amount").

If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of Series A Preferred Shares the full Series A Preferred Amounts to which they shall be entitled under this Subsection 5.2.1, the holders of Series A Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The "Series A Original Issue Price" shall mean \$30.00 per share. The "Common Stock Consideration" shall mean all consideration received by the Corporation for issuance of Common Stock at any time prior to the liquidation, dissolution, winding up or Deemed Liquidation Event.

(b) For purposes of this Subsection 5.2.1, the Common Stock Consideration received by the Corporation for issuance of Common Stock shall be computed as follows:

(i) Insofar as it consists of cash, the consideration shall be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, the consideration shall be computed at the fair market value thereof at the time of such issuance, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration that is for both the Common Stock and the other shares, securities or assets, the consideration shall be the

proportion of such consideration so received, computed as provided in items (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

Common Stock Consideration shall include all consideration that shall have been paid or delivered to the Corporation, up to the time immediately prior to the liquidation, dissolution, winding up or Deemed Liquidation Event, pursuant to the following securities of the Corporation: (A) rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or securities convertible into Common Stock (any of the foregoing, an "Option"); and (B) any evidences of indebtedness, shares or other securities (other than Options) directly or indirectly convertible into or exchangeable for Common Stock (any of the foregoing, "Convertible Securities"). If any Options or Convertible Securities remain in effect after the liquidation, dissolution, winding up or Deemed Liquidation Event, then the Corporation shall take all steps necessary to cause the holders of Series A Preferred Shares to receive the Series A Preferred Amount on account of any consideration subsequently received by the Corporation for issuance of Common Stock pursuant to such Options or Convertible Securities that remain in effect after the liquidation, dissolution, winding up or Deemed Liquidation Event.

(c) Notwithstanding the provisions of Subsection 5.2.1(b), the Common Stock Consideration shall not include consideration paid or delivered to the Corporation: (i) pursuant to particular Options or Convertible Securities issued to particular officers, directors, employees, independent contractors, financial institutions, lenders, licensors or other entities; or (ii) pursuant to Options or Convertible Securities issued as dividends or distributions on Series A Preferred Shares, if the holders of at least a majority of the outstanding shares of Series A Preferred Shares elect, by written notice to the Corporation, not to include in Common Stock Consideration such consideration paid or delivered to the Corporation pursuant to such Options or Securities referred to in item (i) or (ii) above.

(5.2.2) Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or any Deemed Liquidation Event, after the payment in full of all Series A Preferred Amounts required to be paid to the holders of Series A Preferred Shares,

(a) the remaining assets of the Corporation available for distribution to its shareholders or,

(b) in the case of a Deemed Liquidation Event, the consideration not payable to the holders of Series A Preferred Shares pursuant to Subsection 5.2.1 or the remaining Available Proceeds as the case may be,

shall be distributed among the holders of the shares of Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock, pursuant to the terms of the Corporation's Restated Articles of Incorporation as amended, immediately prior to such liquidation, dissolution or winding up of the Corporation or such Deemed Liquidation Event, as the case may be. The aggregate amount that a holder of a share of Series A Preferred Shares is entitled to receive under Subsections 5.2.1 and 5.2.2 is hereinafter referred to as the "Series A

Liquidation Amount.” Obligations of the Corporation, if any, in regard to any dividends on Common Stock that may be declared and unpaid may be considered to be waived or discharged if any pro rata distribution to holders of Common Stock is made pursuant to this Subsection 5.2.2.

(5.2.3) Deemed Liquidation Events.

(5.2.3.1) Definition of Deemed Liquidation Event. Each of the following events shall be considered a “Deemed Liquidation Event” unless the holders of at least a majority of the outstanding shares of Series A Preferred Shares (the “Requisite Holders”) elect otherwise by written notice sent to the Corporation at least five (5) business days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party; or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation;

except any such merger or consolidation described in item (i) or item (ii) above involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (A) the surviving or resulting corporation; or (B) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) (i) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole; or (ii) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

(5.2.3.2) Effecting a Deemed Liquidation Event. (a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 5.2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the “Merger Agreement”) provides that the consideration payable to the shareholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Subsections 5.2.1 and 5.2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 5.2.3.1(a)(ii) or 5.2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under applicable law within ninety (90) days after such Deemed Liquidation Event, then (i) holders of Series A Preferred Shares shall have a right to require the redemption of their outstanding shares of Series A Preferred Shares as provided in this Subsection 5.2.3.2(b); (ii) the Corporation shall send a written notice to each holder of Series A Preferred Shares no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of such right to require the redemption of such shares of Series A Preferred Shares and of the conditions to be met under item (iii) below to secure such right; and (iii) if the holders of at least a majority of the then outstanding shares of Series A Preferred Shares so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall, on the one hundred fiftieth (150th) day after such Deemed Liquidation Event, use

(A) the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), and

(B) any other assets of the Corporation available for distribution to its shareholders,

to the extent permitted by Florida law governing distributions to shareholders (the "Available Proceeds"), to redeem all outstanding shares of Series A Preferred Shares at a price per share equal to the Series A Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Series A Preferred Shares, the Corporation shall redeem a pro rata portion of each holder's shares of Series A Preferred Shares to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares as soon as it may lawfully do so under Florida law governing distributions to shareholders. Prior to the distribution or redemption provided for in this Subsection 5.2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge reasonable expenses incurred in connection with such Deemed Liquidation Event or incurred in the ordinary course of business.

(5.2.3.3) Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license other disposition or redemption shall be the cash or the value of the property, rights or securities to be paid or distributed to such holders pursuant to such Deemed Liquidation Event. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

(5.2.3.4) Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 5.2.3.1(a)(i), if any portion of the

consideration payable to the shareholders of the Corporation is payable only upon satisfaction of contingencies (the "Additional Consideration"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 5.2.1 and 5.2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the shareholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 5.2.1 and 5.2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 5.2.3.4, consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

(5.3) Optional Conversion. Holders of Series A Preferred Shares shall have the following rights to convert their shares, at their option, as provided for in this Section 5.3 (such rights, the "Conversion Rights").

(5.3.1) Conversion Ratio of Preferred to Common. Each share of Series A Preferred Shares shall be convertible into one (1) share of Common Stock of the Corporation, at any time and from time to time at the option of the holder of such Series A Preferred Share and without the payment of additional consideration by the holder thereof, subject to adjustment of such number of shares as provided in this Section 5.3. The shares of Common Stock issued upon such conversion shall be deemed to be fully paid and non-assessable shares of issued Common Stock. The rate or ratio at which shares of Series A Preferred Shares may be converted into shares of Common Stock shall be subject to adjustment as provided below in this Section 5.3.

(5.3.2) Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any amounts distributable upon such event to the holders of Series A Preferred Shares, provided that such payments and distributions are made.

(5.3.3) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Shares. 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 fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Shares that the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

(5.3.4) Notice of Conversion. To convert shares of Series A Preferred Shares into shares of Common Stock pursuant to this Section 5.3, the holder of the shares of Series A Preferred Shares (a) shall give written notice to the Corporation that such holder elects to convert

all or any number of such holder's shares of Series A Preferred Shares and, if applicable, any event on which such conversion is contingent, which written notice shall be given to the Corporation at its principal office or, if the Corporation has appointed a stock transfer agent, shall be given to such transfer agent on behalf of the Corporation; and (b) shall surrender to the Corporation the certificate or certificates for such shares, if certificated, or the information statement or statements in lieu of certificates for such shares (each, an "Information Statement"), if the shares are not certificated (or, if such holder alleges that any such certificate or Information Statement has been lost, destroyed or wrongfully taken, shall deliver an affidavit or other evidence to that effect and an agreement, in forms of such documentation reasonably acceptable to the Corporation to give assurances and to agree to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, destruction or wrongful taking of such certificate or Information Statement), which surrender (or delivery) shall be made to the Corporation at its principal office or, if the Corporation has appointed a stock transfer agent, shall be made to such transfer agent on behalf of the Corporation. Such written notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates or Information Statements for Series A Preferred Shares surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the Corporation or its appointed transfer agent of such notice and, if applicable, certificates or Information Statements (or affidavit or evidence of loss and indemnity agreement) for such Series A Preferred Shares shall be the time of conversion (the "Conversion Time"), and the shares of Common Stock issuable upon conversion of such shares shall be deemed to be outstanding of record as of such Conversion Time. The Corporation shall, after the Conversion Time, (i) issue and deliver to such converting holder of Series A Preferred Shares, or to his, her or its nominees, a certificate or Information Statement for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate or Information Statement for the number (if any) of the shares of Series A Preferred Shares represented by the surrendered certificate or Information Statement that were not converted into Common Stock; (ii) pay in cash such amount as provided in 5.3.3 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion; and (iii) pay all declared but unpaid dividends on the shares of Series A Preferred Shares converted.

(5.3.5) Reservation of Shares. The Corporation shall at all times when the Series A Preferred Shares shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Shares, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Shares. 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 Shares, 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 conversion purposes, including engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Corporation's Restated Articles of Incorporation as amended.

(5.3.6) Effect of Conversion. All shares of Series A Preferred Shares that shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding, and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the converting holders thereof to receive shares of Common Stock in exchange therefor in accordance with their Conversion Rights, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 5.3.3 and to receive payment of any dividends declared but unpaid thereon. Any shares of Series A Preferred Shares so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Shares accordingly.

(5.3.7) Adjustments for Conversion of Preferred to Common.

(5.3.7.1) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time effect a subdivision of outstanding Common Stock, then the number of shares of Common Stock issuable on conversion of each share of Series A Preferred Shares shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time combine outstanding shares of Common Stock, then the number of shares of Common Stock issuable on conversion of each share of Series A Preferred Shares shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

(5.3.7.2) Adjustment for Dividends and Distributions in Common Stock. In the event the Corporation at any time or from time to time shall make or issue, or shall fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the number of shares of Common Stock issuable on conversion of each share of Series A Preferred Shares shall be increased, from the number of shares of Common Stock that were issuable on conversion of such share of Series A Preferred Shares immediately before such event (the "Pre-Distribution Conversion Number") to a number of shares of Common Stock equal to the product of: (one share of Series A Preferred Shares) multiplied by (the Pre-Distribution Conversion Number plus the number of shares of Common Stock to be paid as a dividend or distribution on such Pre-Distribution Conversion Number of shares of Common Stock). Such increase shall be effective as of the time such dividend or other distribution is issued or made or, in the event such a record date shall have been fixed, as of the close of business on such record date; provided, however, that if such record date shall have been fixed and such dividend is not fully paid or such distribution is not fully made on the date fixed therefor, the number of shares of Common Stock issuable upon conversion of each share of Series A Preferred Shares shall be recomputed accordingly as of the close of business on such record date, and thereafter the number of shares of Common Stock issuable on conversion of each share of Series A Preferred Shares shall be adjusted pursuant to this subsection as of the time of actual payment of such dividend or distribution. Notwithstanding the foregoing, no such adjustment for dividends or other distributions in additional shares of Common Stock shall be

made if the holders of Series A Preferred Shares, simultaneously with the making or issuance of such dividend or distribution to holders of Common Stock, shall receive the same dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock that they would have received if all outstanding shares of Series A Preferred Shares had been converted into Common Stock as of the date of such event.

(5.3.7.3) Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time shall make or issue, or shall fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or payable in other property, then and in each such event the holders of Series A Preferred Shares shall receive, simultaneously with the distribution or notice of record date to the holders of Common Stock, a dividend or other distribution of such securities or other property (or a notice of the record date in connection therewith) in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Series A Preferred Shares had been converted into Common Stock as of the date of such event.

(5.3.7.4) Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 5.2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which shares of Common Stock (or any Options or Convertible Securities convertible or exchangeable for Common Stock), but not the Series A Preferred Shares, are converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsection 5.3.7.2 or Subsection 5.3.7.3), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Shares shall thereafter be convertible, in lieu of the Common Stock into which it was convertible prior to such event, into the kind and amount of securities, cash or other property that a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Shares immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 5.3 with respect to the rights and interests thereafter of the holders of the Series A Preferred Shares in order to have the provisions set forth in this Section 5.3 continue to be applicable, as closely as reasonably possible, in relation to any securities, cash or other property thereafter deliverable upon the conversion of the Series A Preferred Shares.

(5.3.7.5) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment pursuant to this Section 5.3, the Corporation shall compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Shares a written statement setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Shares are convertible) and informing each holder of the events and grounds on which such adjustment or readjustment is based.

(5.4) Notice of Record Date. In the event:

(a) that the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Shares) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation;

then, and in each such case, the Corporation shall send or cause to be sent to the holders of the Series A Preferred Shares a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right and the amount and character of such dividend, distribution or right; or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series A Preferred Shares) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Shares and the Common Stock. Such notice shall be sent at least ten (10) days prior to such record date or the effective date for the event specified in such notice.

(5.5) Mandatory Conversion.

(5.5.1) Trigger Events. Upon the closing of the sale of shares of Common Stock to the public pursuant to an effective registration statement under the Securities Act of 1933, as amended (the time of such closing, the "Mandatory Conversion Time"), then (a) all outstanding shares of Series A Preferred Shares shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Section 5.3; and (b) following such conversion, such shares of Series A Preferred Shares may not be reissued by the Corporation as shares of such series.

(5.5.2) Procedures on Mandatory Conversion. All holders of record of shares of Series A Preferred Shares shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Shares pursuant to this Section 5.5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Shares shall surrender to the Corporation the certificate or certificates for such shares,

if certificated, or the Information Statement in lieu of certificates for such shares, if the shares are not certificated (or, if such holder alleges that any such certificate or Information Statement has been lost, destroyed or wrongfully taken, shall deliver an affidavit or other evidence to that effect and an agreement, in forms of such documentation reasonably acceptable to the Corporation to give assurances and to agree to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, destruction or wrongful taking of such certificate or Information Statement), which surrender or delivery shall be made to the Corporation at the place designated in the notice of Mandatory Conversion Time. If required by the Corporation, any certificates or Information Statements for Series A Preferred Shares surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Shares converted pursuant to Subsection 5.5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates or Information Statements at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificates and Information Statements of such holders (or, if such holders allege that any such certificate or Information Statement has been lost, destroyed or wrongfully taken, upon delivery of an affidavit or other evidence to that effect and an agreement, in forms of such documentation reasonably acceptable to the Corporation to give assurances and to agree to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, destruction or wrongful taking of such certificate or Information Statement), to receive the items provided for in the next sentence of this Subsection 5.5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificates or Information Statements for Series A Preferred Shares (or evidence or affidavit of loss, destruction or wrongful taking and an indemnity agreement), the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, certificates or Information Statements for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof; (b) pay cash as provided in Subsection 5.3.3 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion; and (c) pay any declared but unpaid dividends on the shares of Series A Preferred Shares converted. Such converted Series A Preferred Shares shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Shares accordingly.

(5.6) Series A Preferred Shares Subject to Other Preferred Stock Terms. The relative rights and other terms of the Series A Preferred Shares pursuant to this Article II(B)(5) shall be subject to the authority of the Board of Directors of the Corporation to authorize for issuance other classes and series of preferred stock of the Corporation and shall be subject to its authority to determine the terms of such other classes and series of preferred stock, including any priorities, preferences, rights, powers, designations, qualifications, limitations, restrictions and prior or superior rights of such other classes or series of stock of the Corporation.