

P97000093745

CAPITOL SERVICES d/b/a
PARALEGAL & ATTORNEY SERVICE BUREAU, INC.

(Requestor's Name)

1406 Hays Street, Suite 2

(Address)

Tallahassee, FL 32301 (904) 656-3992

(City, State, Zip)

(Phone #)

OFFICE USE ONLY

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*****35.00 *****35.00

CORPORATION NAME(S) & DOCUMENT NUMBER(S) (if known):

1. National Laundries, Inc. P97-93745
(Corporation Name) (Document #) Amend
2. _____
(Corporation Name) (Document #)
3. _____
(Corporation Name) (Document #)
4. _____
(Corporation Name) (Document #)

☒ Walk in

☒ Pick up time 12/29

☐ Mail out

☐ Will wait

☒ Photocopy Stamped

☐ Certified Copy

☐ Certificate of Status

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98 DEC 28 PM 4:03
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

AMENDMENTS	
<input checked="" type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input type="checkbox"/>	Merger

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
<input type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark

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DIVISION OF CORPORATIONS

Examiner's Initials

DP
2/19/98

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION

of

NATIONAL LAUNDRIES, INC.

DESIGNATING PREFERENCES, LIMITATIONS AND RELATIVE RIGHTS

of the

9% CONVERTIBLE PREFERRED STOCK

**(Pursuant to Section 607.181 of the
Florida General Corporation Act)**

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TALLAHASSEE, FLORIDA

National Laundries, Inc., a corporation organized and existing under the Business Corporation Act of the State of Florida (hereinafter called the "Company"), hereby certifies that the following Articles of Amendment to the Company's Articles of Incorporation were adopted unanimously by both the Board of Directors of the Company and the Shareholders of the Company as required by Section 607.181(3) of the General Corporation Act of Florida at a meeting duly called and held on November 23rd, 1998.

The Company's Articles of Incorporation are hereby amended to provide for the issuance of a class of preferred stock which shall have designations, rights and preferences as set forth below:

9% Convertible Preferred Stock:

1. Designation. The series of Preferred Stock designated and known as "9% Convertible Preferred Stock, par value \$1.00 per share" shall consist of 250,000 shares.

2. Voting.

a) Except as otherwise expressly provided herein or as required by law, each holder of the Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible (as adjusted from time to time pursuant to Section 5 hereof), at each meeting of stockholders of the Company (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Company for their action or consideration. Except as otherwise expressly provided herein or as required by law, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class.

b) The Company shall not amend, alter or repeal the preferences, special rights or other powers of the Preferred Stock so as to affect adversely the Preferred Stock, without the written consent or affirmative vote of the holders of a majority of the then outstanding Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class. For purposes of this Section 2, the authorization or issuance of any series of Preferred Stock with the preferences or priority over the then outstanding Preferred Stock as to the right to receive either dividends or amounts distributable upon liquidation, dissolution or winding up of the Company, shall be deemed to affect adversely the Preferred Stock.

3. Dividends.

a) Dividends. Commencing twelve months from the date of issuance, the holders of the then outstanding Preferred Stock shall be entitled to receive, out of funds legally available therefor, cumulative semi-annual dividends on each share of the Preferred Stock at a rate per share equal to 9% of the original purchase price paid per share of the Preferred Stock of \$1.00 per share (the "Purchase Price"), payable in cash, and such amount shall be compounded semi-annually such that if the dividend is not paid for such semi-annual period the unpaid amount shall be added to the Purchase Price paid per share of the Preferred Stock for the purposes of calculating dividends for succeeding semi-annual periods. If such cumulative dividends in respect of any prior or current annual dividend period shall not have been declared and paid or if there shall not have been a sum sufficient for the payment thereof set apart, the deficiency shall first be fully paid before any dividend or other distribution shall be paid or declared and set apart with respect to any class of the Company's capital stock, now or hereafter outstanding as to which dividends may be declared and paid in accordance with its terms without restriction. Upon any conversion of the Preferred Stock under Section 5 hereof, all accumulated and unpaid dividends on the Preferred Stock, whether or not declared, since the date of issue up to and including the date of conversion thereof shall become due and owing.

b) Dividend Restriction. No cash dividends shall be paid with respect to any class of the Company's capital stock unless it is determined by the Board of Directors that the Company is current in its dividend payments on the Preferred Stock, and the Company has experienced a fixed coverage ratio of 150% during the six month period covering the last two complete fiscal quarters.

4. Liquidation, Dissolution or Winding Up.

a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of the shares of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, before any payment shall be made to the holders of the Common Stock by reason of their ownership thereof, an amount per share of Preferred Stock equal to the Purchase Price plus all accumulated and unpaid dividends therein, whether or not declared, since the date of issue up to and including the date full payment shall be tendered to the holders of the Preferred Stock with respect to such liquidation (subject to equitable adjustment in the event of any stock dividend, stock split, combination, reorganization, recapitalization, reclassification or other similar event affecting such shares) (the "Liquidation Amount"). If upon any such liquidation, dissolution or winding up of the Company, the remaining assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of the Preferred Stock the full amount to which they shall be entitled, the holders of the Preferred Stock shall share ratably in any distribution of the remaining assets of the Company.

b) After the payments of all preferential amounts required to be paid to the holders of the Preferred Stock upon the dissolution, liquidation or winding up of the Company, the holders of the outstanding shares of the Common Stock shall be entitled to receive, on an equal basis, the remaining assets of the Company available for distribution to its stockholders.

c) The merger or consolidation of the Company into or with another corporation, or the sale of all or substantially all the assets of the Company, shall be deemed to

be a liquidation, dissolution or winding up of the Company for purposes of this Section 4 unless the holders of at least a majority of the then outstanding shares of the Preferred Stock elect otherwise by giving written notice thereof to the Company at least three days before the effective date of such event. If no such notice is given, the provisions of Section 5(e) shall apply. The amount deemed distributed to the holders of the Preferred Stock upon any such merger or consolidation shall be the cash or the value of the property, rights or securities distributed to such holders by the acquiring person, firm or other entity. The value of such property, rights or other securities shall be determined in good faith by the Board of Directors of the Company.

5. Redemption and Conversion Rights for the Preferred Stock. The holders of the Preferred Stock shall have the following rights with respect to the conversion of the Preferred Stock into shares of Common Stock:

a) General. Subject to and in compliance with the provisions of this Section 5, any one share of the Preferred Stock may, at the option of the holder, be converted at any time into one fully paid and non-assessable share of Common Stock. The number of shares of Common Stock to which a holder of Preferred Stock shall be entitled upon conversion shall be fully adjusted to account for stock splits, stock dividends and other combinations or recapitalizations in respect of the common stock or of other distributions to holders of common stock of indebtedness or assets of the Company.

b) Adjustments to Conversion Value.

Anti-Dilution Protection. Holders of the Preferred Stock shall receive weighted average anti-dilution protection in the event that the Company issues shares of its capital stock at a price per share that is less than the then effective Conversion Price (the

"Conversion Price"). The initial Conversion Price shall be \$1.00 per share. Except as hereinafter provided, in case the Company shall at any time after the date of initial issuance of the Preferred Stock issue, grant or sell any shares of the Company's capital stock for a consideration, exercise or conversion price per share less than the Conversion Price in effect immediately prior to the issuance or sale of such shares, or without consideration, then forthwith upon such issuance or sale, the Conversion Price shall (upon such issuance or sale) be reduced to a price (calculated to the nearest cent) determined by dividing (i) an amount equal to the sum of (a) the total number of shares of Common Stock outstanding immediately prior to such issuance or sale multiplied by the Conversion Price then in effect, plus (b) the consideration, if any, received by the Company upon such issuance or sale, by (ii) the total number of shares of Common Stock outstanding immediately after such issuance or sale; provided, however, that in no event shall the Conversion Price be adjusted pursuant to this computation to an amount in excess of the Conversion Price in effect immediately prior to such computation. Notwithstanding the foregoing this protection shall not apply to the issuance of shares of Common Stock to (i) employees, directors or consultants of the Company pursuant to the Company's existing or future stock option plans so long as such issuances are at 110% of fair market value, and vest ratably over a three year period, or restricted stock issuances to employees, officers, directors or consultants as unanimously approved by the Company's Board of Directors or (ii) pursuant to the grant of warrants for capital equipment financing as approved by the Board of Directors.

c) Dividends. In the event the Company 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 with respect to the Common Stock payable in (i) securities of the

Company other than shares of Common Stock, or (ii) assets other than cash, then and in each such event the holders of Preferred Stock shall receive, at the same time such distribution is made with respect to the Common Stock, the number of securities or such other assets of the Company which they would have received had their Preferred Stock been converted into Common Stock immediately prior to the date of such distribution.

d) Capital Reorganization or Reclassification. If the Common Stock issuable upon the conversion of the Preferred Stock shall be changed into the same or different number of shares of any class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 5 or by a Reorganization (as defined below)), then and in each such event, the holder of each share of Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such capital reorganization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Preferred Stock might have been converted immediately prior to such capital reorganization, reclassification or other change.

e) Capital Reorganization, Merger or Sale of Assets. If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 5) or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's properties and assets to another person, any of which events is herein referred to as a "Reorganization", then as a part of such Reorganization, provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to

receive upon the conversion of the Preferred Stock, the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from such Reorganization, to which such holder would have been entitled if such holder had converted its shares of Preferred Stock immediately prior to such Reorganization.

f) Exercise of Conversion Privilege. To exercise its conversion privilege, a holder of Preferred Stock shall surrender the certificate or certificates representing the shares of Preferred Stock being converted to the Company at its principal office, and shall give written notice to the Company at that office that such holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Company or in blank. The date when such notice is received by the Company, together with the certificate or certificates representing the shares of Preferred Stock being converted, shall be the "Conversion Date." As promptly as practicable after the Conversion Date, the Company shall issue and deliver to the holder of the Preferred Stock being converted, or on its written order, such certificate or certificates as it may request for the number of whole shares of Common Stock issuable upon the conversion of such shares of Preferred Stock in accordance with the provisions of Section 5, and cash, as provided in Section 5(g), in respect to any fraction of a share of Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Conversion Date, and at such time the rights of the holder as holder of the

converted shares of Preferred Stock shall cease and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby. The Company shall pay any taxes payable with respect to the issuance of Common Stock upon conversion of the Preferred Stock, other than any taxes payable with respect to income by the holders thereof.

g) Cash in Lieu of Fractional Shares. The Company may, if it so elects, issue fractional shares of Common Stock or scrip representing fractional shares upon the conversion of shares of Preferred Stock. If the Company does not elect to issue fractional shares, the Company shall pay to the holder of the shares of Preferred Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the Conversion Date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Preferred Stock being converted at any one, time by any holder thereof, not upon each share of Preferred Stock being converted.

h) Partial Conversion. In the event some but not all of the shares of Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the Company shall execute and deliver to or on the order of the holder, at the expense of the Company, a new certificate representing the number of shares of Preferred Stock which were not converted.

i) Reservation of Common Stock. The Company 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 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 Preferred Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Preferred Stock, the Company 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 purpose.

6. Optional Redemption. (a) In the event the Company shall announce its intention to effectuate an initial public offering of its securities under the Securities Act of 1933, as amended (the "Initial Public Offering"), the Company shall have the right and option to redeem, effective as of the date and subject to the consummation of such initial public offering, at a redemption price per share of Preferred Stock equal to the Purchase Price, plus all accumulated and unpaid dividends therein, whether or not declared, since the date of issue up to and including the date payments thereof is made available (subject to equitable adjustments in the event of any stock dividend, stock split, combination, reorganization, recapitalization, reclassification or other similar event affecting such shares)(the "Redemption Price"), any and all shares of Preferred Stock outstanding on the date of such redemption. In the event of such a redemption of only a part of the then outstanding Preferred Stock, the Company will effect such redemption ratably according to the number of shares held by each holder of the Preferred Stock.

a) Notice of Redemption. The Company shall provide notice of any redemption of Preferred Stock pursuant to this Section 6 specifying the time and place of redemption and the Redemption Price, by first class or registered mail, postage prepaid, to each holder of record of Preferred Stock at the address of such holder last shown on the records of the transfer agent therefor (or the records of the Company, if it serves as its own transfer agent), not more than 45 nor less than 30 days prior to the date on which such redemption is to be made. If less than all Preferred Stock owned by such holder is then to be redeemed, the notice will also specify the number and series of shares which are to be redeemed. Upon mailing any such notice of redemption, the Company will become obligated to the extent permitted by law but subject to the consummation of the Initial Public Offering, to redeem at the time of redemption specified therein all Preferred Stock specified therein (other than such shares of Preferred Stock as are duly converted pursuant to Section 5 prior to the close of business on the business day preceding the Redemption Date). In the event less than all Preferred Stock represented by any certificate is redeemed in any redemption pursuant to this Section 6, a new certificate will be issued representing the unredeemed Preferred Stock without cost to the holder thereof. Nothing contained in this Section 6 shall in any way restrict or prohibit the holders of the Preferred Stock from exercising their conversion rights pursuant to Section 5 hereof prior to the close of business on the business day preceding the Redemption Date.

b) Dividends After Redemption Date. No share of Preferred Stock is entitled to any rights or liquidation or conversion or to any dividends accruing after the date of payment of the Redemption Price for such share, and on such date all rights of the holder of such

share as a stockholder of the Company by reason of the ownership of such share will cease, and such share will not be deemed to be outstanding thereafter.

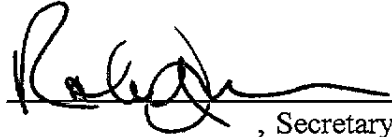
c) Redeemed Shares. Any Preferred Stock redeemed pursuant to this Section 6 will be cancelled and will not under any circumstances be reissued, sold or transferred and the Company may from time to time take such appropriate action as may be necessary to reduce the authorized Preferred Stock accordingly.

IN WITNESS WHEREOF, these Articles of Amendment to the Articles of Incorporation are executed on behalf of the Company by its President and attested by its Secretary this 24th day of November, 1998.



Michael Wainstein, President

Attest:



, Secretary