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Division of Corporations

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Division of Corporations
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BASIC AMENDMENT

QUAL KID'S CORP.

Certificate of Status	0
Certified Copy	0
Page Count	03
Estimated Charge	\$35.00

AMEND
DEC
8-20

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**ARTICLES OF AMENDMENT
TO ARTICLES OF INCORPORATION
OF
QUAL KID'S CORP.**

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The undersigned hereby certifies as follows:

1. The name of the corporation is QUAL KID'S CORP. (the "Corporation").
2. The Articles of Incorporation of the Corporation were filed on February 2, 1998.
3. Article IV of the Articles of Incorporation of the Corporation is hereby amended to read as follows:

"ARTICLE IV. AUTHORIZED SHARES"

The maximum number of shares of each class of the capital stock that the corporation is authorized to issue is as follows:

<u>Class</u>	<u>Number of Shares</u>	<u>Par Value</u>
Common Stock	5,000	\$.01
Series A Preferred Stock	5,000	\$.01

Common Stock.

Except as may be otherwise required by law or by these Articles of Incorporation, each share of common stock of the corporation shall have one vote on each matter voted upon by the stockholders of the corporation. Subject to the rights of the Series A Preferred Stock, as and when declared by the Board of Directors, dividends shall be set apart and paid ratably and equally to all holders of the common stock of the corporation. Subject to the rights of the Series A Preferred Stock, in the event of a merger, consolidation, share exchange, sale, transfer, dissolution, liquidation or winding up of the corporation, the assets of the corporation available for distribution shall be set apart and paid ratably and equally to the holders of the common stock of the corporation.

Series A Preferred Stock.

1. **Designation.** The series of Preferred Stock will be designated and known as "Series A Preferred Stock." The number of shares constituting such series will be Five Thousand (5,000).

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2. **Liquidation Rights.** In the event of any sale, voluntary or involuntary liquidation, dissolution or winding up of the affairs of the corporation whereby the aggregate amount of assets or funds available for distribution to the shareholders is less than \$10,000,000, the holders of each share of Series A Preferred Stock will be entitled to receive, prior and in preference to any distribution of any of the assets or funds of the corporation to the holders of the Common Stock of the corporation by reason of their ownership thereof, an amount equal to Two Thousand Eight Hundred Ninety dollars and Seventeen cents (\$2,890.17) per share.

All of the preferential amounts to be paid to the holders of the Series A Preferred Stock under this Section 2 will be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any assets of the corporation to, the holders of the Common Stock in connection with such sale, liquidation, dissolution or winding up. After the payment or the setting apart of payment to the holders of the Series A Preferred Stock of the preferential amounts so payable to them, the holders of Series A Preferred Stock and the holders of the Common Stock will be entitled to receive all remaining assets or funds in proportion to the number of shares so held.

If the assets or funds to be distributed to the holders of the Series A Preferred Stock under this Section 2 are insufficient to permit the payment to such holders of their full preferential amount, the assets and funds legally available for distribution will be distributed ratably among the holders of the Series A Preferred Stock in proportion to the full preferential amount each such holder is otherwise entitled to receive.

3. **Conversion Rights.** Holders of Series A Preferred Stock may at holder's option, at any time, convert shares of Series A Preferred Stock into shares of the Common Stock of the Company. The conversion ratio will be One (1) share of Common Stock for One (1) share of Series A Preferred Stock.

4. **Voting Rights.** The holders of shares of Series A Preferred Stock will be entitled to one vote for each share so held with respect to all matters voted on by the shareholders of the corporation. The holders of shares of Series A Preferred Stock will vote with all other holders of voting shares of the corporation as a single class.

5. **Dividend Rights.** The holders of Series A Preferred Stock will be entitled to the same rights to receive dividends as the holders of Common Stock."

4. The foregoing amendment was adopted by the shareholders of the Corporation's common stock on August 4, 1999. The Corporation has no other class of voting securities.

5. The foregoing amendment was approved by the shareholders of the Corporation in accordance with Section 607.1006 of the Florida Statutes.

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6. The foregoing amendment shall be effective as of August 4, 1999.

IN WITNESS WHEREOF, the undersigned Officer of the Corporation has executed these Articles of Amendment on the 19 day of August, 1999.

QUAL KID'S CORP.

By: 
DAVID E. MILOV, President