

P11000029873

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP

☐ WAIT

☐ MAIL

(Business Entity Name)

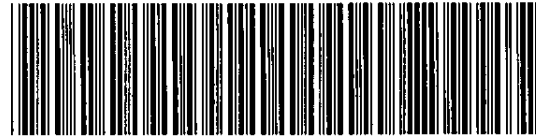
(Document Number)

Certified Copies ☒

Certificates of Status ☐

Special Instructions to Filing Officer:

Office Use Only



500261466265

07/30/14--01008--006 **43.75

RECEIVED
DEPARTMENT OF STATE
14 JUL 30 AM 10:34
TALLAHASSEE, FLORIDA

NOT
FILED

Amun
Restate
JUL 22 2014
T. LEMIEUX

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: Weston Insurance Holdings Corporation

DOCUMENT NUMBER: P11000029873

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

Please return all correspondence concerning this matter to the following:

Brenda Blackburn

Name of Contact Person

Foley & Lardner LLP

Firm/ Company

106 E. College Avenue, Suite 900

Address

Tallahassee, FL 32301

City/ State and Zip Code

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

For further information concerning this matter, please call:

Brenda Blackburn

Name of Contact Person

at (850) 222-6100

Area Code & Daytime Telephone Number

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

- | | | | |
|--|--|--|--|
| <input type="checkbox"/> \$35 Filing Fee | <input type="checkbox"/> \$43.75 Filing Fee &
Certificate of Status | <input checked="" type="checkbox"/> \$43.75 Filing Fee &
Certified Copy
(Additional copy is
enclosed) | <input type="checkbox"/> \$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
Clifton Building
2661 Executive Center Circle
Tallahassee, FL 32301

SEVENTH AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

**WESTON INSURANCE HOLDINGS CORPORATION
(the "Company")**

Document Number: P11000029873

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida Profit Corporation adopts the following Seventh Amended and Restated Articles of Incorporation ("Articles of Incorporation") as approved by Unanimous Written Consent of all of the Shareholders of the Company effective July 24, 2014, which Articles of Incorporation supersede all prior articles of incorporation of the Company and any amendments thereto.

ARTICLE I

Name of Corporation

The name of the corporation is:

WESTON INSURANCE HOLDINGS CORPORATION

ARTICLE II

Principal Place of Business & Mailing Address

The principal place of business address for the Company is:

2555 Ponce de Leon Blvd.
Coral Gables, FL US 33134

The mailing address of the Company is:

P.O. Box 142057
Coral Gables, FL US 33114

ARTICLE III

Purpose

The purpose for which the Company is organized is:

ANY AND ALL LAWFUL BUSINESS

14 JUL 30 2014
TALLAHASSEE, FLORIDA
FILED
CLERK OF CIRCUIT COURT

ARTICLE IV
Capitalization

1. Classes of Stock. The number and classes of shares of stock the Company is authorized to issue is:
 - a. 13,000 voting common shares at one cent (\$0.01) par value ("Voting Common Stock");
 - b. 2,000 non-voting Series A Preferred Shares at one cent (\$0.01) par value ("Series A Preferred Stock");
 - c. 500 non-voting Series B Preferred Shares at one cent (\$0.01) par value ("Series B Preferred Stock");
 - d. 2,000 non-voting Series C Preferred Shares at one cent (\$0.01) par value ("Series C Preferred Stock") (the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock are collectively referred to herein as the "ABC Preferred Stock");
 - e. 2,000 non-voting Series D Preferred Shares at one cent (\$0.01) par value ("Series D Preferred Stock"); and
 - f. 3,000 non-voting Series E Preferred Shares at one cent (\$0.01) par value ("Series E Preferred Stock") (the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and Series E Preferred Stock are collectively referred to herein as the "Preferred Stock").
2. Ranking, Rights, Privileges and Preferences of Common Stock.
 - a. *Liquidation Ranking.* Each class of Preferred Stock will, with respect to rights on liquidation, winding up and dissolution, rank (i) on a parity with each other class of Preferred Stock and (ii) senior to the Company's Common Stock.
 - b. *Dividend Ranking.* The ABC Preferred Stock and Series E Preferred Stock will, with respect to dividend rights, rank (i) on a parity with each other and (ii) senior to the Company's Common Stock and Series D Preferred Stock.
 - c. Subject to the terms of Article IV, Section 3.a. hereof, each holder of Voting Common Stock shall be entitled to one vote for each share of Voting Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote, including the election of directors; provided, however, that, except as otherwise required by law, holders of Voting Common Stock shall not be entitled to vote on any amendment to Article IV, Section 3.a. of these Articles of Incorporation. Directors shall be elected by a vote of the majority votes cast with respect to shares present at a meeting at which a quorum is present. In the event an incumbent director does not receive the requisite number of votes, his

or her term shall expire on the earlier of (1) 90 days from the date on which the voting results are determined or (2) the date on which an individual is selected by the board to fill the office held by such director, which selection would be deemed to constitute the filling of the vacancy by the board.

- d. Following the payment or setting aside for payment, in full, of all cumulative dividends upon each series of Preferred Stock then outstanding with respect to past dividend periods and the current dividend period, the Board of Directors may declare and pay or set apart for payment, dividends on Common Stock, out of any funds of the Company legally available therefor. Holders of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, and Series E Preferred Stock shall not be entitled to share therein, whereas holders of Series D Preferred Stock shall be entitled to share therein as set forth in Section 3.c. below.

3. Rights, Privileges and Preferences of Preferred Stock. The preferences, limitations and relative rights of the Preferred Stock and Common Stock are as follows:

- a. All Preferred Stock, regardless of series, shall be identical, except as otherwise set forth in these Articles of Incorporation and in each case as to the rights of first refusal and conversion rights, as to which the Board of Directors may fix and determine variations among the different series of each class. Preferred Stock shall be non-voting. Notwithstanding the foregoing, so long as any Preferred Stock shall be outstanding, the Company will not, without the affirmative vote or written consent of at least a majority of the then outstanding shares of each class or series of affected Preferred Stock, amend these Articles of Incorporation for the purpose of, or take any other action, directly or indirectly, to:
 - i. Increase the aggregate number of shares of Preferred Stock or shares of any other class ranking pari passu with or prior to the Preferred Stock;
 - ii. Change the designations, preferences, limitations, voting or other rights of the Preferred Stock or of any outstanding series of Preferred Stock;
 - iii. Effect an exchange, reclassification or cancellation of all or part of the Preferred Stock;
 - iv. Change the Preferred Stock (via consolidation, recapitalization split or reverse split or otherwise) into the same or a different number of shares, with or without par value of the same or any other class; or
 - v. Cancel or otherwise affect dividends on the shares of any series of Preferred Stock which have accrued but have not been declared or paid.

- b. Out of the funds the Company legally has available for payment of dividends, the holders of ABC Preferred Stock shall be entitled to receive cumulative annual dividends on each share of ABC Preferred Stock (whether or not declared) calculated on a yearly basis at a rate equal to the then current interest rate on 5-year U.S. Treasury Notes plus 475 basis points, adjusted annually from the anniversary of the Closing Date (as hereinafter defined), multiplied by the Invested Amount (as hereinafter defined). "Closing Date" for each share of Preferred Stock shall mean the date the initial holder of the share of Preferred Stock pays to the Company the Invested Amount. "Invested Amount" means the total purchase price for the shares of Preferred Stock paid to the Company by the initial holder of the Preferred Stock. Dividends shall accrue and be paid in quarterly installments on each of March 31, June 30, September 30 and December 31 of each year. Dividends on the ABC Preferred Stock shall not be subject to a cap. The Company may, at its option, elect to defer the payment of dividends on the ABC Preferred Stock, in which case dividends will accrue, without interest, until payment thereof or redemption, liquidation or conversion of the Preferred Stock.
- c. Holders of Series D Preferred Stock shall participate in any dividends on the Common Stock, on an as-converted basis, at the As Converted Ownership Percentage (as hereinafter defined).
- d. Out of the funds the Company legally has available for payment of dividends, the holders of Series E Preferred Stock shall be entitled to receive cumulative annual dividends on each share of Series E Preferred Stock (whether or not declared) calculated on a yearly basis at a rate equal to 700 basis points multiplied by the Invested Amount. Dividends shall accrue and be paid in quarterly installments on each of March 31, June 30, September 30 and December 31 of each year. Dividends on the Series E Preferred Stock shall not be subject to a cap. The Company may, at its option, elect to defer the payment of dividends on the Series E Preferred Stock, in which case dividends will accrue, without interest, until payment thereof or redemption, liquidation or conversion of the Preferred Stock.
- e. Each dividend payable pursuant to Sections 3(b), 3(c) or 3(d) will be payable to holders of record of Preferred Stock, as applicable, as they appear in the records of the Company on the applicable Record Date. "Record Date" shall mean the date established by the Board of Directors in accordance with these Articles of Incorporation, the Bylaws of the Company and Florida law.
- f. If dividends to be paid on any quarterly date are not sufficient to pay in full all accrued and unpaid dividends on the shares of ABC Preferred Stock

and the Series E Preferred Stock, then all dividends to be paid on such quarterly date on the shares of the ABC Preferred Stock and/or the Series E Preferred Stock shall be paid pro rata so that the respective amounts of such dividends paid shall bear the same ratio to each other as the full accrued and unpaid dividends per share payable on the shares of the ABC Preferred Stock and the Series E Preferred Stock.

- g. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Company, before any distribution of the assets shall be made to the holders of any class of shares that are subordinate to the Preferred Stock with respect to rights on liquidation, winding up and dissolution (including, without limitation, the Common Stock), the holders of the Preferred Stock shall be entitled to receive out of the assets of the Company available for distribution to its shareholders the sum of (i) the amount per share not to exceed in total the Invested Amount plus (ii) the amount per share equal to all accrued and unpaid dividends thereon, such sum constituting the "Preferential Amount" for the Preferred Stock. If, in the event of such liquidation, the assets of the Company available for distribution to its shareholders shall be insufficient to permit full payment to the holders of the Preferred Stock of each series of their respective Preferential Amounts, then such assets shall be distributed ratably among such holders in proportion to their respective Preferential Amounts. If, in the event of such liquidation, the holders of the Preferred Stock of each series shall have received full payment of their respective Preferential Amounts, the holders of the Common Stock shall be entitled, to the exclusion of the holders of the Preferred Stock, to share ratably in all remaining assets of the Company available for distribution to shareholders. Neither the consolidation nor merger of the Company with or into any other corporation or corporations, the sale or lease of all or substantially all assets of the Company, nor the merger or consolidation of any other corporation into and with the Company, shall be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of the Company. Notwithstanding the foregoing, in the event of a consolidation, merger with or into any other corporation or corporations, the sale or lease of all or substantially all assets of the Company, Series D Preferred Stock holders shall be entitled to a "Series D Liquidation Preference" equal to the Invested Amount. In lieu of receiving such Series D Liquidation Preference, however, each holder of Series D Preferred Stock may convert its shares of Series D Preferred Stock into Common Stock in accordance with the conversion rights set forth in Section 3.k. below.
- h. Notwithstanding anything to the contrary contained herein, the Series E Preferred Stock shall rank junior to the ABC Preferred Stock and Series D Preferred Stock with respect to redemption, such that in the event the Company raises additional capital via debt or equity that is to be used, in whole or in part, to redeem any Preferred Stock, the Company shall

redeem all shares of ABC Preferred Stock and Series D Preferred Stock that are available for redemption at the time of such capital raise prior to redeeming any shares of Series E Preferred Stock.

- i. Each holder of Preferred Stock shall (i) have board observation rights so long as it owns at least 5% of the total equity of the Company (on an as-converted basis) and (ii) so long as it remains a shareholder, have commercially reasonable access to the Company's books and records.
- j. Holders of ABC Preferred Stock shall have conversion rights as follows:
 - i. In the event (1) of a default by the Company under the investment agreement pursuant to which each holder of Preferred Stock purchased such stock or the Shareholder Agreement dated as of July 24, 2014 (to be effective as of February 12, 2013) by and among the Company and the investors signatory thereto, or (2) that the Company's subsidiary, Weston Insurance Company ("WIC"), does not maintain a Financial Strength Rating from A.M. Best Company, Inc. of "B" or higher, or a rating from Demotech, Inc. of "A" or higher, or A.M. Best Company, Inc. or Demotech, Inc. ceases to provide WIC with a commercially viable Financial Strength Rating for any reason, or (3) of an agreement by the Company to sell a controlling interest in the Company, whether through a private sale or a firm commitment underwritten public offering of Common Stock, then a holder of ABC Preferred Stock may at its option convert its Preferred Stock (the "ABC Investor's Stock") into Voting Common Stock based on one of the conversion calculation options set forth below, subject to any required regulatory approval. The ABC Investor's Stock shall convert to Voting Common Stock based on Conversion Date Share Equivalents (as hereinafter defined) in the manner described in subsection ii. immediately below. "Conversion Date Share Equivalents" shall mean the number of shares retroactively adjusted for splits, dividends or distributions of Common Stock in order to cause the ABC Investor's Stock so converted to represent the same percentage of the Company's capital structure as existed on the Closing Date, adjusted only for permitted infusions of additional paid-in capital ("APIC") following the Closing Date by other shareholders of the Company.
 - ii. Upon or prior to paying the full Invested Amount, each holder of Series A Preferred Stock or Series B Preferred Stock shall elect one of the two following calculation options to determine the amount of Voting Common Stock into which such Investor's Stock may convert. Each Series A Preferred Stock holder and Series B Preferred Stock holder shall specify either "Conversion Option A" or "Conversion Option B" by written notice to the Company. In the

event a Series A Preferred Stock holder or a Series B Preferred Stock holder does not specify their election upon or prior to paying the full Invested Amount, the default election is Conversion Option A. The mandatory conversion calculation for all Series C Preferred Stock holders shall be as set forth in Conversion Option A. The election (whether affirmative, by default or mandatory) of Conversion Option A shall entitle a holder of ABC Preferred Stock to convert solely upon the occurrence of an event specified in Article IV, Section 3.j.(i) (a "Default Conversion Event"), whereas the election of Conversion Option B shall entitle a holder of ABC Preferred Stock to convert upon the occurrence of a Default Conversion Event and also voluntarily pursuant to Article IV, Section 3.j.(ii)(2)(e):

1. Conversion Option A. The Preferred Stock holder's percentage ownership of Voting Common Stock of the Company at conversion ("Conversion Option A As Converted Ownership Percentage") shall be an amount, expressed as a percentage, equal to (i) such holder's Invested Amount less any vested portion of the Management Promote (as hereinafter defined) attributable to such Preferred Stock holder as of such date, divided by (ii) the paid-in-capital of all issued and outstanding shares of Voting Common Stock and Preferred Stock as of the Closing Date (adjusted by any permitted infusions of APIC following the Closing Date), which amount shall then be multiplied by (iii) the Anti-Dilution Adjustment Factor (as hereinafter defined), if any. "Management Promote" shall mean the grant of Voting Common Stock allocated to the Company's management pursuant to the investment agreement by which the holder of the Preferred Stock purchased such stock. The Management Promote shall vest annually on each of the first through fifth anniversaries of the Closing Date, at a rate of 4% of the Invested Amount per year.
2. Conversion Option B. The Preferred Stock holder's percentage ownership of Voting Common Stock of the Company at conversion shall be an amount, expressed as a percentage ("Conversion Option B As Converted Ownership Percentage"), equal to:
 - a. If the conversion right is exercised during the first twelve months following the Closing Date (i) such holder's Invested Amount divided by (ii) the paid-in-capital of all issued and outstanding shares of Voting

Common Stock and Preferred Stock as of the Closing Date.

- b. If the conversion right is exercised during the second twelve months following the holder's Closing Date, 80% of the Conversion Option B As Converted Ownership Percentage;
 - c. If the conversion right is exercised during the third twelve months following the holder's Closing Date, 60% of the Conversion Option B As Converted Ownership Percentage;
 - d. If the conversion right is exercised during the fourth twelve months following the holder's Closing Date, 30% of the Conversion Option B As Converted Ownership Percentage;
 - e. If the conversion right is exercised during the fifth twelve months following the holder's Closing Date, 25% of the Conversion Option B As Converted Ownership Percentage.
 - f. Regardless of whether any of the events set forth in Section 3.j.i.(1) through (3) above have occurred or not, each Series A Preferred Stock holder and Series B Preferred Stock holder which timely selects this Conversion Option B shall have the right at its option to exercise the conversion right set forth in Section 3.j.ii.2.e. immediately above during the fifth twelve months following the holder's Closing Date; provided, however, that with respect to each holder, any conversion rights arising under Conversion Option B shall expire upon the conclusion of the fifth twelve months following the Closing Date.
- iii. Each share of ABC Preferred Stock shall, at the holder's options, automatically be converted into shares of Voting Common Stock at the then effective conversion rate immediately before the closing of an underwritten initial public offering of Common Stock by the Company with gross proceeds of not less than \$20 million resulting in a post-offering market capitalization of the Company of at least \$100 million and listing on the New York Stock Exchange or The Nasdaq Stock Market.

- iv. If a holder of ABC Preferred Stock exercises the conversion right set forth herein, such ABC Preferred Stock holder shall forfeit and forego the "Liquidation Preference" as defined and set forth in Section 3.m. below, provided that the Company shall pay to such ABC Preferred Stock holder any dividends that have accrued and are unpaid on the ABC Preferred Stock prior to the date of the conversion.
 - v. The conversion of any ABC Preferred Stock to Voting Common Stock or the acquisition of Voting Common Stock may be subject to regulatory approval pursuant to Section 628.461, Florida Statutes.
- k. Holders of Series D Preferred Stock shall have conversion rights as follows:
- i. At any time and from time to time after the issuance of the Series D Preferred Stock, but prior to the eighth anniversary of the Closing Date, Series D Preferred Stock holders may at their option elect to convert such Series D Preferred Stock into Voting Common Stock based upon "Series D Conversion Date Share Equivalents," which shall equal the number of shares retroactively adjusted for splits, dividends or distributions of Common Stock in order to cause such Investor's Stock so converted to represent the same percentage of the Company's capital structure as existed on the Closing Date (the "Series D Closing Date Share Percentage"), adjusted to give effect to additional shares of Common Stock issuable in respect of any shares of capital stock issuable upon conversion of any shares of Series D Preferred Stock issued as an in kind dividend (as adjusted, the "Series D Closing Date Adjusted Share Percentage"). The Series D Conversion Date Share Equivalents shall be further adjusted to take into account any shares of Preferred Stock redeemed by the Company subsequent to the Closing Date but prior to or simultaneous with such conversion (the "Redeemed Preferred"), whereby the "Series D Conversion Date Share Equivalent Percentage" shall equal the Series D Closing Date Adjusted Share Percentage (expressed numerically as a percentage) plus the product of (a) the Series D Closing Date Share Percentage (expressed numerically as a percentage) times (b) the Preferred Pre-Redemption Ownership Percentage (expressed numerically as a percentage and defined below); provided, however, that in no event shall the Conversion Date Share Equivalents Percentage be less than the Series D Closing Date Adjusted Share Percentage. The "Preferred Pre-Redemption Ownership Percentage" equals the equity ownership percentage of the Company represented by the Redeemed Preferred immediately prior to such redemption.

- ii. Any shares of Series D Preferred Stock that are not subject to a pending redemption request by the holder thereof as of the eighth anniversary of the Closing Date shall automatically be converted into shares of Voting Common Stock in accordance with the foregoing at that time.
 - iii. Each share of Series D Preferred Stock shall automatically be converted into shares of Voting Common Stock at the then effective conversion rate immediately before the closing of an underwritten initial public offering of Common Stock by the Company with gross proceeds of not less than \$20 million resulting in a post-offering market capitalization of the Company of at least \$100 million and listing on the New York Stock Exchange or The Nasdaq Stock Market.
 - iv. The conversion of any Series D Preferred Stock to Voting Common Stock or the acquisition of Voting Common Stock may be subject to regulatory approval pursuant to Section 628.461, Florida Statutes.
- I. Holders of Series E Preferred Stock shall have conversion rights as follows:
- i. If there occurs (x) a Change in Control or (y) an Initial Public Offering, then a holder of Series E Preferred Stock may at its option convert its Preferred Stock into Voting Common Stock based on the following formula: 0.01 shares of Common Stock for each share of Series E Preferred Stock. The conversion ratio shall be appropriately adjusted for any splits (via dividend or otherwise), subdivisions, consolidations or combinations of the Voting Common Stock. For purposes of this subsection: "Change in Control" means (A) a change in ownership or control of the Company effected through a transaction or series of transactions, whether by sale, merger or otherwise (other than pursuant to an Initial Public Offering), whereby any "person" (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act")) or any two or more persons deemed to be one "person" (as used in sections 13(d)(3) and 14(d)(2) of the Exchange Act), other than the holders of any shares of Preferred Stock, the Company or any of its Affiliates, or an employee benefit plan maintained by the Company or any of its Affiliates, directly or indirectly acquire "beneficial ownership" (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or (B) the sale or disposition, in one or a series of related transactions, of all

or substantially all of the assets of the Company to any "person" (as defined in Section 3(a)(9) of the Exchange Act) or to any two or more persons deemed to be one "person" (as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) other than the holders of any shares of Preferred Stock or the Company's Affiliates; and "Initial Public Offering" means the first public offering of any equity securities of the Company pursuant to a registration statement (other than on Form S-4 or Form S-8, or the equivalent thereof) filed under 15 U.S.C. Chapter 2A (Securities Act of 1933) and declared effective by the Securities and Exchange Commission.

- ii. If a holder of Series E Preferred Stock exercises the conversion right set forth herein, such Series E Preferred Stock holder shall forfeit and forego the "Liquidation Preference" as defined and set forth in Section 3.m. below, provided that the Company shall pay to such Series E Preferred Stock holder any dividends that have accrued and are unpaid on the Series E Preferred Stock prior to the date of the conversion.
 - iii. The conversion of any Series E Preferred Stock to Voting Common Stock or the acquisition of Voting Common Stock may be subject to regulatory approval pursuant to Section 628.461, Florida Statutes.
- m. Holders of Preferred Stock shall have the following rights and obligations in connection with a redemption of Preferred Stock:
- i. "Liquidation Preference" means the total Invested Amount net (in the case of the ABC Preferred Stock only) of the portion of such purchase price used as consideration for any vested portion of the Management Promote.
 - ii. The Company may, at any time and from time to time after the third anniversary and before the fifth anniversary of the Closing Date, redeem such shares of ABC Preferred Stock in full for cash at a redemption price equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon, provided the Company has first obtained the written consent of the relevant ABC Preferred Stock holder for which such shares will be redeemed. At any time and from time to time after the fifth anniversary of the Closing Date, the Company may redeem such shares without the written consent of the relevant ABC Preferred Stock holder at a redemption price equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon, subject to such ABC Preferred Stock holder's right of conversion set forth in Section 3.j.ii.2.e. above, to the extent that such Preferred Stock holder elects the Conversion Option B set forth in Section 3.j.ii.2.

- iii. At any time and from time to time after the fifth anniversary of the Closing Date, the Company shall, within forty-five (45) days after the written election of a holder of ABC Preferred Stock, redeem such shares in full for cash at a redemption price per share equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon through and including the date of redemption.
- iv. On or after the eighth anniversary of the Closing Date, the Company shall, within forty-five (45) days after the written election of a holder of Series D Preferred Stock (which election shall be made prior to the eighth anniversary of the Closing Date), redeem such shares that the holder thereof shall elect to have redeemed in full for cash at a redemption price per share equal to the fair market value of such shares, which shall be equal to the implied value of such shares assuming that the Company was a willing selling and was sold to a willing buyer in an arms' length transaction as a going concern, with no discount being taken for lack of control, liquidity, transfer restrictions or any similar matter. If the Company and the applicable Series D Preferred Stock holder cannot agree on the redemption price, a third party investment bank mutually acceptable to the parties will be selected to determine such fair market value, and a "baseball style" arbitration process will be utilized.
- v. At any time and from time to time after the fourth anniversary of the Closing Date, the Company may, with forty-five (45) days prior written notice, redeem any shares of Series E Preferred Stock in full for cash at a redemption price equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon through and including the date of redemption.
- vi. At any time and from time to time after the sixth anniversary of the Closing Date, the Company shall, within forty-five (45) days after the written election of a holder of Series E Preferred Stock, redeem such shares in full for cash at a redemption price per share equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon through and including the date of redemption.
- vii. Subject to Article IV, Section 3.h. above, if upon any redemption hereunder by the Company, the assets of the Company available for distribution to its stockholders shall be insufficient to pay the holders of the Preferred Stock being redeemed the full amount to which they shall be entitled under this Section, the holders of Preferred Stock 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 of

Preferred Stock held by them upon such redemption if all amounts payable on or with respect to such shares were paid in full.

- n. Each holder of ABC Preferred Stock selecting Conversion Option A shall be entitled to anti-dilution protection as follows:
- i. If the Company sells, issues or distributes to any person or entity any shares of Preferred Stock or Common Stock, or any rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Preferred Stock or Common Stock (excluding (i) securities issued as a dividend or distribution on any of the Company's Preferred Stock; (ii) securities issued upon the conversion of any Preferred Stock, promissory note, warrant, option, or other convertible security outstanding on the Closing Date; (iii) Common Stock issuable upon a stock split, stock dividend, or any subdivision of shares of Common Stock; (iv) any vested Voting Common Stock issued pursuant to Management Promote; (v) Common Stock (or options to purchase such shares of Common Stock) issued under any stock option plan or other compensation arrangement approved by the Company's Board of Directors, but subject to the protective provisions described above; or (vi) shares of Common Stock, options or convertible securities issued or issuable to banks, equipment lessors or other financial institutions pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Company's Board of Directors), at a price per share (determined, in the case of such rights, options, warrants or convertible or exchangeable securities, by dividing (x) the total amount receivable by the Company in consideration for the sale and issuance of such rights, options, warrants or convertible or exchangeable securities, plus the total consideration receivable by the Company upon exercise, conversion or exchange thereof, by (y) the total number of shares of Preferred Stock or Common Stock covered by such rights, options, warrants or convertible or exchangeable securities) that is lower than the price per share paid by a Preferred Stock holder with respect to the Invested Amount (as adjusted for subsequent stock splits, stock combinations and stock dividends), then the Conversion Option A As Converted Ownership Percentage for such Preferred Stock Holder shall be adjusted by the "Anti-Dilution Adjustment Factor," equal to the quotient obtained by dividing the Invested Amount by the Adjustment Rate. The term "Adjustment Rate" means the product obtained by multiplying the Invested Amount by a fraction, the numerator of which shall be the number of shares of Preferred Stock Outstanding (as defined below) or Common Stock Outstanding (as defined below) immediately prior to such issuance

plus the number of shares of Preferred Stock or Common Stock that the aggregate consideration received by the Company for such new issuance would purchase at the purchase price per share paid by the Preferred Stock holder to purchase the Preferred Stock with the Invested Amount, and the denominator of which shall be the number of shares of Preferred Stock Outstanding (as defined below) or Common Stock Outstanding (as defined below) immediately prior to such issuance plus the number of shares of stock issued in such new issuance. For purposes of this Section 3.n., the term "Preferred Stock Outstanding" shall mean and include the following: (i) outstanding Preferred Stock, including Preferred Stock subject to vesting requirements and other restrictions, (ii) Preferred Stock issuable upon exercise of outstanding stock options or other convertible or exchangeable securities, and (iii) Preferred Stock issuable upon exercise of outstanding warrants. Shares of Preferred Stock described in (i) through (iii) of the immediately preceding sentence shall be included whether vested or unvested, whether contingent or non-contingent and whether exercisable or not yet exercisable. Such adjustment shall be made successively whenever such an issuance is made. For purposes of this Section 3.n., the term "Common Stock Outstanding" shall mean and include the following: (i) outstanding Common Stock, including Common Stock subject to vesting requirements and other restrictions, (ii) Common Stock issuable upon conversion of outstanding preferred stock, (iii) Common Stock issuable upon exercise of outstanding stock options or other convertible or exchangeable securities, and (iv) Common Stock issuable upon exercise (and, in the case of warrants to purchase preferred stock, conversion) of outstanding warrants. Shares of Common Stock described in (i) through (iv) of the immediately preceding sentence shall be included whether vested or unvested, whether contingent or non-contingent and whether exercisable or not yet exercisable. Such adjustment shall be made successively whenever such an issuance is made.

4. Shares redeemed, purchased or otherwise reacquired, or surrendered to the Company on conversion, shall have the status of authorized and unissued shares of the class of which they were a part when initially issued and may be reissued as part of the same or a different series of the same class of which they were a part when initially issued; unless, as part of the action of the Board of Directors taken to create any series, the Board of Directors restricts the right of reissuance, in which case such restricted right will be operative.
5. The Company will keep its books of account in accordance with U.S. GAAP, and furnish the holder of Preferred Stock (or Common Stock upon conversion) unaudited quarterly financial statements within 60 days after the end of the first

three fiscal quarters of each year, audited annual financial statements within 180 days after the end of each fiscal year and an annual budget and business plan at least 60 days prior to the beginning of each fiscal year, so long as such holder of Preferred Stock holds at least 5% of the total equity of the Company (on an as-converted basis). In addition, all shareholders will have inspection rights as provided under applicable law.

ARTICLE V
Registered Agent

The name and Florida street address of the registered agent is:

NRAI Services, Inc.
1200 South Pine Island Road
Plantation, FL 33324

ARTICLE VI
Indemnification

The Company shall indemnify the members of its Board of Directors and its officers to the full extent permitted by law. The Board of Directors is hereby specifically authorized to make such other provision for indemnification of directors, officers, employees and agents of the Company to the fullest extent permitted by law.

These Seventh Amended and Restated Articles of Incorporation for the Company were adopted and are effective as of this 24th day of July, 2014.

These Seventh Amended and Restated Articles of Incorporation were adopted by all of the shareholders of the Company. The number of votes cast for adoption by the shareholders was sufficient for approval.

Dated: July 24th, 2014



Signed: _____
Michael C. Lyons, President & Director