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NAME: INTERNATIONAL MARITIME SECURITY ASSOCIATES INC

TYPE OF FILING: RESTATED ARTICLES

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ACCOUNT: FCA000000015

AUTHORIZATION: ABBIE/PAUL HODGE



**RESTATED
ARTICLES OF INCORPORATION
OF
INTERNATIONAL MARITIME SECURITY ASSOCIATES INC**

International Maritime Security Associates Inc, a corporation organized and existing under the laws of the State of Florida, hereby certifies as follows:

FIRST: The name of the corporation is International Maritime Security Associates Inc (the "Corporation"). The original Articles of Incorporation of the Corporation (the "Original Articles") were filed with the Florida Department of State, Division of Corporations on April 16, 2013 and assigned document number P13000034396. The Original Articles were further amended on March 3, 2016.

SECOND: These Restated Articles of Incorporation restate and also amend the Original Articles, as amended to date, in accordance with Section 607.1007 of the Florida Business Corporations Act.

THIRD: These Restated Articles of Incorporation were adopted by the Board of Directors effective April 8, 2016.

FOURTH: The Corporation certifies that these Restated Articles of Incorporation contain an amendment requiring shareholder approval. The Corporation further certifies that these Restated Articles of Incorporation were duly adopted by the shareholders, and that the number of votes cast for these Restated Articles of Incorporation by the shareholders was sufficient for approval.

FIFTH: The text of the Original Articles, as restated and also amended by these Restated Articles of Incorporation, shall read in its entirety as follows:

ARTICLE I

The name of the corporation is:
International Maritime Security Associates Inc.

ARTICLE II

The principal place of business address is:
1040 Bayview Drive, Suite #425
Ft. Lauderdale, FL 33304

The mailing address of the corporation is:
757 SE 17th Street, #1240
Ft. Lauderdale, FL 33316

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ARTICLE III

The purpose for which the corporation is organized is the transaction of any and all lawful business.

ARTICLE IV

The total number of shares which the Corporation shall have authority to issue is Two Million (2,000,000), of which One Million Five Hundred Thousand (1,500,000) shall be Common Stock with no par value, and Five Hundred Thousand (500,000) shall be Preferred Stock with no par value.

The Board of Directors is hereby empowered to cause the Preferred Stock to be issued from time to time in one or more series, and to fix or alter the preferences, limitations, and relative rights of any series of Preferred Stock within the limitations set forth by the Florida Business Corporations Act.

There is hereby created out of the authorized and unissued shares of Preferred Stock of the Corporation a series of preferred stock designated as the "Series A Convertible Preferred Stock". The number of shares constituting such series shall be One Hundred Thousand (100,000) (the "Series A Preferred Shares").

1. Certain Defined Terms. For purposes of this Article IV, the following terms shall have the following meanings:

(a) "*Business Day*" means any day other than Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

(b) "*Change in Control Transaction*" will be deemed to exist if (i) there occurs any consolidation or merger of the Corporation with or into any other corporation or other entity or person (whether or not the Corporation is the surviving corporation), any other business combination, including without limitation a reorganization, recapitalization, share exchange, spin-off, or any other transaction or series of related transactions in which in excess of 50% of the Corporation's voting power is transferred through a merger, consolidation, tender offer or similar transaction, (ii) any person (as defined in Section 13(d) of the Exchange Act), together with its affiliates and associates (as such terms are defined in Rule 405 under the Securities Act), beneficially owns or is deemed to beneficially own (as described in Rule 13d-3 under the Exchange Act without regard to the 60-day exercise period) in excess of 50% of the Corporation's voting power, or (iii) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Corporation.

(c) "*Common Shares*" means fully paid, validly issued and non-assessable shares of Common Stock.

(d) "*Common Stock*" means the common stock, no par value, of the Corporation.

(e) "*Equity Security*" means (i) any shares of capital stock of the Corporation, (ii) any rights, options, warrants or similar securities to subscribe for, purchase or otherwise acquire any shares of capital stock of the Corporation, and (iii) debt or other evidences of indebtedness, capital stock or other securities directly or indirectly convertible into or exercisable or exchangeable for any shares of capital stock of the Corporation.

(f) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

(g) “*Holder*” means each holder of the Series A Preferred Shares.

(h) “*Initial Issuance Date*” means April 18, 2016.

(i) “*Junior Securities*” means the Common Stock, and each other class or series of Equity Security of the Corporation, the terms of which do not expressly provide that it ranks senior in preference or priority to or on parity, without preference or priority, with respect to the Series A Convertible Preferred Stock as to dividend rights or rights upon a Liquidation Event.

(j) “*Liquidation Event*” means any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary.

(k) “*Purchase Agreement*” means the Securities Purchase Agreement, dated April 18, 2016, by and between the Corporation and the initial purchaser of Series A Preferred Shares thereunder.

(l) “*Securities Act*” means the Securities Act of 1933, as amended.

2. Liquidation Preference.

(a) In the event of any Liquidation Event, the Holders of the Series A Preferred Shares shall be entitled to receive, out of the assets of the Corporation available for distribution to shareholders (“*Liquidation Funds*”), prior and in preference to any distribution of any assets of the Corporation to the holders of Junior Securities, the amount of \$2.50 per share (the “*Preferred Stock Original Purchase Price*”), as adjusted for any stock dividends, splits, combinations and similar events (the “*Liquidation Preference*”). If upon any such Liquidation Event, the Liquidation Funds shall be insufficient to pay the Holders of the Series A Preferred Shares the full amount to which they shall be entitled under this Section 2(a), the Holders of the 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 Liquidation Preference to be paid to the Holders of the Series A Preferred Shares under this Section 2(a) shall be paid or set apart for payment before the payment or setting apart for payment of any amount for, or the distribution of any Liquidation Funds of the Corporation to the holders of Junior Securities in connection with a Liquidation Event. A Change in Control Transaction shall not, *ipso facto*, be deemed a Liquidation Event.

(b) After payment of the full amount of the Liquidation Preference, in the case of a Liquidation Event, the remaining assets of the Corporation available for distribution to its shareholders shall be distributed among the holders of Common Stock, pro rata based on the number of shares held by each such holder.

3. Optional Conversion by the Holders. Each Holder shall have the right at any time and from time to time, at the option of such Holder and without the payment of additional consideration by the Holder, to convert all or any portion of the Series A Preferred Shares held by such Holder, for such number of Common Shares per each Series A Preferred Share, free and clear of any liens, claims or encumbrances, as is determined by dividing (i) the Preferred Stock Original Purchase Price by (ii) the Conversion Price (as defined below) in effect on the Conversion Date (as defined below). Immediately following such conversion, the persons entitled to receive the Common Shares upon the conversion of Series A Preferred Shares shall be treated for all purposes as having become the owners of such

Common Shares. The term "*Conversion Price*" means \$2.50 per share, subject to adjustment as provided herein.

(a) *Delivery of Conversion Notice.* To convert Series A Preferred Shares into Common Shares on any date (a "*Conversion Date*"), the Holder shall give written notice (a "*Conversion Notice*") to the Corporation in the form of Exhibit A hereto stating that such Holder elects to convert the same and shall state therein the number of Series A Preferred Shares to be converted and the name or names in which such Holder wishes the certificate or certificates for Common Shares to be issued. As soon as possible after delivery of the Conversion Notice, such Holder shall surrender the certificate or certificates representing the Series A Preferred Shares being converted, duly endorsed, at the office of the Corporation.

(b) *Mechanics of Conversion.* The Corporation shall, promptly upon receipt of a Conversion Notice (but in any event not less than one (1) Business Day after receipt of such Conversion Notice), (i) send, via facsimile, e-mail or other electronic means a confirmation of receipt of such Conversion Notice to such Holder and (ii) on or before the third (3rd) Business Day following the date of receipt by the Corporation of such Conversion Notice (the "*Share Delivery Date*"), issue such aggregate number of Common Shares to which the Holder shall be entitled upon such conversion. If the number of Series A Preferred Shares represented by the certificate(s) delivered to the Corporation in connection with a Conversion Notice, is greater than the number of Series A Preferred Shares being converted, then the Corporation shall, as soon as practicable and in no event later than three (3) Business Days after receipt of such certificate(s) and at its own expense, issue and deliver to the Holder a new certificate representing the number of Series A Preferred Shares not converted. The person or persons entitled to receive the Common Shares issuable upon a conversion of Series A Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the Conversion Date.

(c) *Adjustments to the Conversion Price.*

(i) *Adjustments for Stock Splits and Combinations.* If the Corporation shall at any time or from time to time after the Initial Issuance Date effect a stock split of the outstanding Common Stock, the applicable Conversion Price in effect immediately prior to the stock split shall be proportionately decreased. If the Corporation shall at any time or from time to time after the Initial Issuance Date, combine the outstanding shares of Common Stock, the applicable Conversion Price in effect immediately prior to the combination shall be proportionately increased. Any adjustments under this Section 3(c)(i) shall be effective at the close of business on the date the stock split or combination occurs.

(ii) *Adjustments for Certain Dividends and Distributions.* If the Corporation shall at any time or from time to time on or after the Initial Issuance Date make or issue or set a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in Common Shares then, and in each event, the applicable Conversion Price in effect immediately prior to such event shall be decreased as of the time of such issuance or, in the event such record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price then in effect by a fraction:

(A) the numerator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and

(B) the denominator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Common Shares issuable in payment of such dividend or distribution.

(iii) *Adjustment for Other Dividends and Distributions.* If the Corporation shall at any time or from time to time on or after the Initial Issuance Date make or issue or set a record date for the determination of holders of Common Stock entitled to receive a non-cash dividend or other distribution payable in securities or property other than Common Shares, then, and in each event, an appropriate revision to the applicable Conversion Price shall be made and provision shall be made (by adjustments of the Conversion Price or otherwise) so that the Holders of Series A Preferred Shares shall receive upon conversions thereof, in addition to the number of Common Shares receivable thereon, the number of securities of the Corporation or other property that they would have received had the Series A Preferred Shares been converted into Common Shares on the date of such event.

(e) *Notice of Record Date.* In the event of any taking by the Corporation of a record date of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, any security or right convertible into or entitling the holder thereof to receive additional Common Shares, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall deliver to each Holder at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution, security or right and the amount and character of such dividend, distribution, security or right.

(f) *Reservation of Stock Issuable Upon Conversion.* The Corporation shall at all times reserve and keep available out of its authorized but unissued Common Stock, solely for the purposes of effecting the conversion of the Series A Preferred Shares, an amount of shares of Common Stock equal to the number of shares issuable upon conversion of the Series A Preferred Shares at the current Conversion Price.

(g) *Fractional Shares.* No fractional shares shall be issued upon the conversion of any Series A Preferred Shares. All Common Shares (including fractions thereof) issuable upon conversion of more than one Series A Preferred Share by a Holder thereof be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion and/or purchase would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, either round up the number of shares to the next highest whole number or, at the Corporation's option, pay the Holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the Conversion Date (as determined in good faith by the Board of Directors of the Corporation).

(h) *Certificate for Conversion Price Adjustment.* The Corporation shall promptly furnish or cause to be furnished to each Holder a certificate prepared by the Corporation setting forth any adjustments or readjustments of the Conversion Price pursuant to this Section 3.

4. Voting Rights; Directors.

(a) Each Holder of Series A Preferred Shares shall be entitled to the number of votes equal to the number of Common Shares into which such Series A Preferred Shares could be converted and shall have voting rights and powers equal to the voting rights and powers of the Common Stock (except as otherwise expressly provided herein, voting together with the Common

Stock as a single class) and shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of the Corporation. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which Series A Preferred Shares held by each Holder could be converted) shall be rounded down to the nearest whole number.

(b) The Holders of the Series A Preferred Shares, voting as a single class, shall be entitled to elect one (1) member of the Board of Directors at each meeting or pursuant to each written consent of the Corporation's shareholders for the election of directors, and to remove from office such director and to fill any vacancy caused by the resignation, death or removal of such director.

5. Preemptive Rights.

(a) If following the Initial Issuance Date, the Corporation authorizes the issuance or sale of any Equity Securities to any person or entity (including any shareholder of the Corporation) (the "Offeree"), the Corporation shall first offer to sell to the Holders a portion of such Equity Securities equal to the quotient determined by dividing (1) the number of Common Shares held by such Holder at such time (which are not or would not be subject to vesting or repurchase in favor of the Corporation as of or prior to the consummation of such issuance or sale) on a fully-diluted and as-if converted basis, by (2) the total number of Common Shares then issued and outstanding immediately prior to such issuance on a fully-diluted and as-if converted basis. The Holders shall be entitled to purchase such Equity Securities at the same price as such Equity Securities are to be offered to the Offeree. The Holders electing to purchase their pro-rata share ("*Participating Shareholders*") will take all necessary or desirable actions in connection with the consummation of the purchase transactions contemplated by this Section 5 as requested by the Board of Directors, including the execution of all agreements, documents and instruments in connection therewith in the form presented by the Corporation, so long as such agreements, documents and instruments do not require such Participating Shareholders to make more burdensome representations, warranties, covenants or indemnities than those required of the Offeree in the agreements, documents or instruments in connection with such transaction.

(b) In order to exercise its purchase rights hereunder, a Holder must, within fifteen (15) days after receipt of written notice from the Corporation describing the Equity Securities being offered, the purchase price thereof, the payment terms and such Holder's percentage allotment, deliver a written notice to the Corporation describing its election hereunder (which election shall be absolute and unconditional).

(c) During the 90 days following the expiration of the offering period described above, the Corporation shall be entitled to sell such Equity Securities which the Holders have not elected to purchase to the Offeree at no less than the purchase price stated in the notice provided under Section 5(b) hereunder. Any Equity Securities proposed to be offered or sold by the Corporation to the Offeree after such 90-day period, or at a price not complying with the immediate preceding sentence, must be reoffered to the Holders pursuant to the terms of this Section 5 prior to any sale to the Offeree.

6. Rank. All shares of Junior Securities shall be of junior rank to all Series A Preferred Shares with respect to the preferences as to dividends, distributions and payments upon a Liquidation Event. The rights of the shares of Junior Securities shall be subject to the preferences and relative rights of the Series A Preferred Shares. Without the prior express written consent of a majority in interest of the Holders, the Corporation shall not hereafter authorize or issue additional or other capital

stock that is of senior or pari-passu rank to the Series A Preferred Shares in respect of the preferences as to dividends and other distributions, amortization and redemption payments and payments upon a Liquidation Event. The Corporation shall be permitted to issue preferred stock that is junior in rank to the Series A Preferred Shares in respect of the preferences as to dividends and other distributions, amortization and redemption payments and payments upon a Liquidation Event. In the event of the merger or consolidation of the Corporation with or into another corporation, the Series A Preferred Shares shall maintain their relative powers, designations and preferences provided for herein (except that the Series A Preferred Shares may not be *pari passu* with, or junior to, any capital stock of the successor entity) and no merger shall have a result inconsistent therewith.

ARTICLE V

The Florida street address of the corporation's registered agent is 14160 Palmetto Frontage Road, Suite 32, Miami Lakes, FL 33016, and the name of the corporation's registered agent at such address is Bradford & Associates, P.A.

IN WITNESS WHEREOF, these Restated Articles of Incorporation have been executed on the 15th day of April, 2016 by the undersigned officer of the Corporation.



Corey Ranslem
Chief Executive Officer