

P17000068669

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STATE OF MARYLAND
FALLS CHURCH, VA
LONDON

MAR 23 2018
S. YOUNG



Monday, March 19th 2018

TO: Attn: Corporations Division
Secretary of State
Bureau of Corporate Records
PO BOX 6327
Tallahassee, FL 32314

RE: Smartlife Insurance, Inc. – P17000068669


Dear Sir or Madam:

Enclosed is a copy of the Certificate of Designations of Preferences for the above referenced corporation for filing. After processing, please remit the certified copy to this office at:

St. Augustine Law Group, PA
c/o Richard L Brooks II, Esq.
320 High Tide Dr.
STE 101
St. Augustine, FL 32080

A check is also enclosed in the total amount of \$43.75 to cover the \$35 filing fee and the \$8.75 fee for the certified copy of the Articles of Amendment to the Articles of Incorporation.

Sincerely,


Richard Brooks

Enclosures

cc: Joseph Cherry, President

SMARTLIFE INSURANCE, INC

**CERTIFICATE OF DESIGNATIONS OF PREFERENCES,
RIGHTS AND LIMITATIONS OF
SERIES A PREFERRED STOCK**

The undersigned, Joseph Cherry, does hereby certify that:

1. He is the Vice President, Chief Executive Officer, and Chairman of the Board of SMARTLIFE INSURANCE, INC., a Florida Corporation (the "Company").
2. The Company is authorized to issue forty million (40,000,000) shares of preferred stock, none of which have been previously issued.
3. The following resolutions were duly adopted by the Board of Directors:

WHEREAS, the Articles of Incorporation of the Company provide for a class of its authorized stock known as preferred stock, comprised of 40,000,000 shares, no par value per share, issuable from time to time in one or more series;

WHEREAS, the Board of Directors of the Company is authorized to fix the dividend rights, dividend rate, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of preferred stock and the number of shares constituting any series and the designation thereof, of any of them;

WHEREAS, it is the desire of the Board of Directors of the Company, pursuant to its authority as aforesaid, to create the rights, preferences, restrictions and other matters relating to a series of the preferred stock, which consists of up to 6,500,000 shares of Series A Preferred Stock; and

WHEREAS, the Board of Directors of the Company has approved the provisions of the preferred stock and adopted this Certificate of Designations of Preferences, Rights and Limitations of Series A Preferred Stock (the "Certificate").

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby provide for the issuance of a series of preferred stock for cash or exchange of other securities, rights or property and does hereby fix and amend the rights, preferences, restrictions and other matters relating to such series of preferred stock as follows:

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 CLERK OF STATE
 TALLAHASSEE, FLORIDA

TERMS OF SERIES A PREFERRED STOCK

Section 1. Definitions. Capitalized terms used shall have the following meanings:

“Business Day” shall mean any day except Saturday, Sunday, and any day on which banking shall be a federal legal holiday in the United States or a day on which banking institutions in the State of Florida are authorized or required by law or other action to close.

“Common Stock” means the Company's common stock, no par value per share, and stock of any other class into which such shares may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of The Company or any of its Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive. Common Stock.

“Conversion Shares” means, collectively, the shares of Common Stock into which the shares of Series A Preferred Stock are convertible in accordance with the terms hereof.

“Holder” shall have the meaning given such term in Section 2 hereof.

“Junior Securities” means the Common Stock and all other equity or equity equivalent securities of the Company other than those securities that are explicitly senior in rights or liquidation preference to the Series A Preferred Stock.

“Key Employees” shall mean each Joseph Cherry, *Vice President* and David Wilson, *President*.

“Original Issue Date” shall mean the date of the first issuance of any shares of the Series A Preferred Stock.

“Person” means a company, an association, a partnership, a limited liability company, a business association, an individual, or government or political subdivision thereof or a governmental agency.

“Series A Preferred Stock” shall have the meaning set forth in Section 2.

“Subsidiary” shall mean a company, limited liability company, partnership, joint venture or other business entity of which the Company owns beneficially or of record more than 50% of the equity interest.

Section 2. Designation, Amount and Par Value. The series of preferred stock shall be designated as the Company's Series A Preferred Stock (the “Series A Preferred Stock” or “Preferred Stock”) and the number of shares so designated shall not be subject to increase without the consent of at least 75% in interest of the holders of the Series A Preferred Stock (each a “Holder” and collectively, the “Holders”). Each share of Series A Preferred Stock shall have no par value.

Section 3. Dividends in Kind. Holders shall be entitled to receive dividends along with the Company's Common Stockholders on a per share basis, and shall be given no preferential rights to accumulation, or payment.

Section 4. Voting Rights. As long as any shares of the Series A Preferred Stock are outstanding, the Company shall not, without the affirmative vote by a simple majority of the Holders the then outstanding shares of the Series A Preferred Stock (other than in respect of a transaction in which all of the Series Preferred Stock are converted or repurchased or redeemed in full):

- a. alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock or alter or amend The Certificate;
- b. authorize or create any class of capital stock ranking as to dividends, redemption or distribution of assets upon a liquidation, senior to or pari passu with the Series A Preferred Stock;
- c. increase the authorized number of shares of any series of preferred stock;
- d. enter into any merger, consolidation, share exchange, sale of stock or other equity interests, or Change of Control Transaction involving the Company or any of its Subsidiaries;
- e. pay a dividend or make a distribution on or repay or repurchase or otherwise acquire any capital stock of the Company other than the Preferred Stock;
- f. declare bankruptcy, dissolve, liquidator wind up the affairs of the Company or any Subsidiary;
- g. enter into any agreement or understanding with respect to any of the foregoing.

Section 5. Liquidation. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "Liquidation"), The Holders shall be entitled to receive out of the assets of the Company, whether such assets are capital or surplus, an amount equal to \$3.2 million (the "Liquidation Value"), plus accrued dividends before any distribution or payment shall be made to the holders of any Junior Securities, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the Holders shall be distributed among the Holders ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

Section 6. Conversion.

- a) **Conversions at Option of Holder.** After December 31st, 2018, the Holders may, at their sole option, convert the Preferred Stock and any and all accrued dividends thereon into 8% of the Common Stock of the Company as of such date (on a fully diluted basis).
- b) **Repurchase and Mandatory Redemption.** All of the outstanding shares of Series A Preferred Stock may be redeemed by the Company at any time at 100% of the Liquidation Value plus and earned, but unpaid dividends to the date of repurchase upon ten (10) Business Days' prior written notice to the Holders. Upon notice of such repurchase, the Holders shall have the right to convert their shares of Series A Preferred Stock and any and all accrued dividends thereon into 8% of the Common Stock of the Company as of such date (on a fully diluted basis). In the event of a Change of Control Transaction, the Holder shall be paid the higher of either
 - i. the Liquidation Value as of the date of the Change of Control Transaction; or

- ii. 8% of the Company's total aggregate value, paid or imputed, with either of such payments resulting in the Company's redemption of all Holders' Series A Preferred Stock.

c) **Mechanics of Conversion**

- i. **Delivery of Certificate Upon Conversion.** Except as otherwise set forth herein, the Company shall deliver to the Holder a certificate or certificates representing the number of shares of Common Stock being acquired upon the conversion of shares of Series A Preferred Stock, including any fractional shares. These certificates may be in paper, or electronic form.
- ii. **Transfer Taxes.** The issuance of certificates for shares of the Common Stock on conversion of the Series A Preferred Stock shall be made without charge to the Holders thereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery or any such certificate upon conversion in a name other than that of the Holder of such shares or Series A Preferred Stock so convened and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Section 7. Miscellaneous.

- a) **Notices.** Any and all notices or other communications or deliveries to be provided by the Holders hereunder, including, without limitation, any notice of conversion, shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service, addressed to the Company, at the address and number provided in the Purchase Agreement or such other address or facsimile number as the Company may specify for such purposes by notice to the Holders delivered in accordance with this Section. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile telephone number or address of such Holder appearing on the books of the Company, or if no such facsimile telephone number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile prior to 5:30 p.m. (New York City time), (ii) the date after the date of transmission, if such notice or communication is delivered via facsimile later than 5:30 p.m. (New York City time) on any date and earlier than 11:59 p.m. (New York City time) on such date, (iii) the second Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.
- b) **Board Seat.** Holders shall have no rights to participate in the election of the Board of Directors, or have any specific right to elect a Director to represent them.
- c) **Reporting.** Until the Liquidation Value on the Series A Preferred Stock has been fully paid, the Company shall provide to each Holder:
 - i. Upon the request of the Holder, access to commonly and routinely created financial reports (P&L, Balance Sheet, Etc.). Each request will be processed in a manner, and in a time frame that is commercially reasonable to the Company. Holder may not request additional reports to be created.

- ii. An Annual Report on the Company shall be circulated to the holders within the first quarter of each year, within a commercially reasonable amount of time. This Annual Report will provide for, among other things, financial statements, a general statement as to the business activities of the Company in the past year, as well as a general statement as to the general plans for the Company in the upcoming year.

- d) **Lost or Mutilated Preferred Stock Certificate.** If a Holder's Series A Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Series A Preferred Stock so mutilated, lost, stolen or destroyed but only upon receipt or evidence of such loss, theft or destruction of such certificate, and of the ownership thereof, and indemnity, if requested, all reasonably satisfactory to the Company. The replacement of the certificate may, be in the form of an electronic certificate in accordance with the then applicable cap table management tool being utilized by the Company.


- e) **Next Business Day.** Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

- f) **Headings.** The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designations and shall not be deemed to limit or affect any of the provisions hereof.

RESOLVED, FURTHER, that any officer of the Company be and they hereby are authorized and directed to prepare and file a Certificate of Designation of Preferences, Rights and Limitations in accordance with the foregoing resolution and the provisions of Florida law.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 19st day of March (month), 2018.

DocuSigned by:


Name: Joseph Cherry

Title(s): Vice President, Chief Executive Officer, & Chairman of the Board of Directors