

F070000000393

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**COR AMND/RESTATE/CORRECT OR O/D RESIGN
EID PASSPORT, INC.**

Certificate of Status	0
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SEP 28 2015

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Electronic Filing Menu

Corporate Filing Menu

Help

PROFIT CORPORATION
APPLICATION BY FOREIGN PROFIT CORPORATION TO FILE AMENDMENT TO
APPLICATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA
(Pursuant to s. 607.1504, F.S.)

SECTION I
(1-3 MUST BE COMPLETED)

F07000000393

(Document number of corporation (if known))

1. Eid Passport, Inc.
(Name of corporation as it appears on the records of the Department of State)
2. Oregon 3. 1/23/2007
(Incorporated under laws of) (Date authorized to do business in Florida)

SECTION II
(4-7 COMPLETE ONLY THE APPLICABLE CHANGES)

4. If the amendment changes the name of the corporation, when was the change effected under the laws of its jurisdiction of incorporation? 8-25-2015
5. SureID, Inc.
(Name of corporation after the amendment, adding suffix "corporation," "company," or "incorporated," or appropriate abbreviation, if not contained in new name of the corporation)
- (If new name is unavailable in Florida, enter alternate corporate name adopted for the purpose of transacting business in Florida)
6. If the amendment changes the period of duration, indicate new period of duration.

(New duration)
7. If the amendment changes the jurisdiction of incorporation, indicate new jurisdiction.

(New jurisdiction)
8. Attached is a certificate or document of similar import, evidencing the amendment, authenticated not more than 90 days prior to delivery of the application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the laws of which it is incorporated.

Katherine A. Cowan
(Signature of a director, president or other officer - if in the hands of a receiver or other court appointed fiduciary, by that fiduciary)

Katherine Cowan
(Typed or printed name of person signing)

Secretary
(Title of person signing)

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
2015 SEP 25 AM 8:29

State of Oregon

OFFICE OF THE SECRETARY OF STATE
Corporation Division

Certified Copy 492B833R8

I, JEANNE P. ATKINS, Secretary of State of Oregon, and Custodian of the Seal of said State, do hereby certify:

That the attached

Copy of the

Amended and Restated

Articles of Incorporation

for

SUREID, INC

is a true copy of the original document(s).

*In Testimony Whereof, I have hereunto set
my hand and affixed hereto the Seal of the
State of Oregon.*



Jeanne P. Atkins

JEANNE P. ATKINS, SECRETARY OF STATE

9/9/2015



Restated Articles of Incorporation **BUSINESS REG** #100
 Business/Professional

Secretary of State - Corporation Division - 255 Capitol St. NE, Suite 151 - Salem, OR 97310-1327 - <http://www.FilingInOregon.com> - Phone: (503) 986-2200

FILED

AUG 25 2015

OREGON
SECRETARY OF STATE For office use only

REGISTRY NUMBER: 048400-96

In accordance with Oregon Revised Statute 192.410-192.480, the information on this application is public record. We must release this information to all parties upon request and it will be posted on our website. Please Type or Print Legibly in Black Ink. Attach Additional Sheet If Necessary.

1. NAME OF CORPORATION: Eld Passport, Inc.
2. NEW NAME OF CORPORATION: (if changed) SureID, Inc.
3. A COPY OF THE RESTATED ARTICLES IS ATTACHED: ☒ (Required)

4. CHECK THE APPROPRIATE STATEMENT:

- ☐ The restated articles contain amendments which do not require shareholder approval. The date of adoption of the amendments and restated articles was _____ These amendments were duly adopted by the board of directors.
- ☒ The restated articles contain amendments which require shareholder approval. The date of adoption of the amendments and restated articles was August 25, 2015

The vote of the shareholders was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common, Pref A & B	39,945,348	39,945,348	25,171,459	301,801

- ☐ The corporation has not issued any shares of stock. Shareholder action was not required to adopt the restated articles. The restated articles were adopted by the incorporators or by the board of directors.

5. EXECUTION: By my signature, I declare as an authorized signer, that this filing has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete. Making false statements in this document is against the law and may be penalized by fines, imprisonment or both.

Signature:

Katherine Cowan

Printed Name:

Katherine Cowan

Title:

Corporate Secretary

CONTACT NAME: (To resolve questions with this filing)

Katherine Cowan

PHONE NUMBER: (include area code)

503-924-5322

SUREID, INC.



4840096-16343330

RSTART

VOID IF ALTERED OR ERASED

VOID IF ALTERED OR ERASED

MARK OR IF ALTERED OR ERASED

**THIRD AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
SureID, INC. (FORMERLY EID PASSPORT, INC.)**

Pursuant to the Oregon Business Corporation Act, SureID, Inc., formerly known as Eid Passport, Inc., hereby adopts the following Third Amended and Restated Articles of Incorporation, which shall supersede the heretofore-existing Second Amended and Restated Articles of Incorporation and all previous articles, amendments and restatements thereof.

**ARTICLE 1
NAME**

The name of the Company is SureID, Inc. (the "Company" or "Corporation").

**ARTICLE 2
DURATION**

The Company's duration shall be perpetual.

**ARTICLE 3
PURPOSES AND POWERS**

The purpose for which the Company is organized is to engage in any business, trade or activity, which may lawfully be conducted by a corporation organized under the Oregon Business Corporation Act. The Company shall have the authority to engage in any and all such activities as are incidental or conducive to the attainment of the purposes of the Company and to exercise any and all powers authorized or permitted under any laws that may be now or hereafter applicable or available to the Company.

**ARTICLE 4
SHARES**

4.1. Authorized Capital.

(a) **General Authorized Capital.** The Company is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of stock which the Company is authorized to issue is One Hundred Eighty Million (180,000,000) shares, consisting of (i) a total of One Hundred Thirty Million (130,000,000) shares of Common Stock, without par value (the "Common Stock"), which class shall have two series, One Hundred Twenty Million (120,000,000) shares of which shall be designated Voting Common Stock (the "Voting Common Stock") and Ten Million (10,000,000) shares of which shall be designated Non-Voting Common Stock (the "Non-Voting Common Stock"), and (ii) and Fifty Million (50,000,000) shares of Preferred Stock, without par value (the "Preferred Stock"), which class shall be divided into series, as determined by the Board of Directors or as otherwise set forth in these Articles.

(b) **Voting Common Stock Certificates.** Effective immediately upon the filing of the Third Amended and Restated Articles of Incorporation with the Oregon Secretary of State, (i) each then issued and outstanding share of Common Stock was, without further action by this Company or the holders of such shares, redesignated and converted into "Voting Common Stock," (ii) each certificate representing

then outstanding shares of Common Stock became a certificate representing shares of Voting Common Stock, and (iii) each holder of then outstanding shares of Common Stock ("Old Common Stock") became entitled to receive, upon surrender of such holder's certificates representing Old Common Stock ("Old Certificates"), pursuant to procedures adopted by this Company, certificates ("New Certificates") representing an equivalent number of shares of Voting Common Stock into which the shares of Old Common Stock were redesignated and converted. Until an Old Certificate has been surrendered and a New Certificate shall have been issued by this Company, such Old Certificate shall be evidence of the Voting Common Stock into which such Old Certificate has been redesignated and converted.

4.2. Common Stock

(a) Voting and Other Matters

(i) Subject to any preferential or other rights granted to any series of Preferred Stock, the relative rights, preferences, privileges and limitations of the Voting Common Stock and the Non-Voting Common Stock are identical in all respects, except that the voting power of the Common Stock for the election of directors and for all other purposes is vested exclusively in the holders of shares of the Voting Common Stock, and except as otherwise expressly required by law or otherwise expressly directed by the Board of Directors of the Company, the holders of shares of the Non-Voting Common Stock are not to have any voting power.

(ii) In all matters in which they have a right to vote, the holders of shares of the Voting Common Stock shall have one (1) vote per share. In the event that the Oregon Business Corporation Act requires holders of shares of Non-Voting Common Stock to vote on any matter, or the Board of Directors of the Company expressly directs that holders of shares of Non-Voting Common Stock vote on a matter, then the holders of shares of Non-Voting Common Stock shall vote together on such matter with the holders of shares of Voting Common Stock and the holders of shares of Preferred Stock as a single group with one (1) vote per share (on an as converted basis for such Preferred Stock), unless such matter is one in which holders of Common Stock have a separate class vote, in which case the holders of shares of Non-Voting Common Stock shall vote on such matter together with the holders of shares of Voting Common Stock as a single voting group with one (1) vote per share, or in such other manner as the Board of Directors may direct. Unless otherwise expressly required by the Oregon Business Corporation Act or expressly directed by the Board of Directors, in no event will holders of shares of Non-Voting Common Stock have a right to vote as a separate voting group on any matter to be voted upon by shareholders of the Company.

(b) Dividends. Subject to any preferential or other rights granted to any series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive dividends out of funds of the Company legally available therefor, at the rate and at the time or times as may be provided by the Board of Directors.

(c) Rights on Dissolution. Subject to, and after payment of, any preferential or other rights granted to any series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive the net assets of the Company on dissolution.

(d) Issuance. Shares of Common Stock may be issued from time to time on such terms and for such consideration as shall be determined by the Board of Directors.

(e) Automatic Conversion of Non-Voting Shares.

(i) Each issued and outstanding share of Non-Voting Common Stock shall automatically be converted into one (1) share of Voting Common Stock immediately prior to the earlier of (A) the consummation of the Company's sale of common stock in a firm-commitment underwritten public offering pursuant to an effective registration statement on Form S-1 (or any comparable successor form then in effect under the Securities Act of 1933, as amended), the public offering price of which was not less than \$10.00 per share (adjusted to reflect any subsequent stock dividend, stock split, combination or other similar recapitalization occurring after the filing of the Third Amended and Restated Articles of Incorporation), and resulting in at least \$30,000,000 of gross proceeds, net of the underwriting discount and commissions, to the Company (a "Qualifying IPO"), or (B) the date specified by consent, approval or agreement of the holders of a majority of the issued and outstanding shares of Voting Common Stock.

(ii) Each conversion of shares of Non-Voting Common Stock into shares of Voting Common Stock shall be deemed to be effective as of the close of business on the date of the Qualifying IPO or consent, approval or agreement of holders of shares of Voting Common Stock as set forth in Section 4.2(e)(i), as the case may be. The certificates representing shares of Non-Voting Common Stock being converted may be surrendered to the Company, in which case new Voting Common Stock certificates (the "Conversion Shares") shall be issued. Unless and until new certificates are issued, however, the original certificates evidencing shares of Non-Voting Common Stock shall continue to be evidence of the Conversion Shares into which they are being converted. At such time as such conversion has been effected, the rights of the holder of such Non-Voting Common Stock shall cease and the person or persons in whose name or names any certificate or certificates for Conversion Shares are to be issued upon such conversion shall be deemed to have become the holder or holders of record of the Conversion Shares represented thereby.

(f) Reservation of Voting Common Stock. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Voting Common Stock, solely for the purpose of effecting the conversion of shares of Non-Voting Common Stock, such number of shares of Voting Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Non-Voting Common Stock. If at any time the number of authorized but unissued shares of Voting Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Non-Voting Common Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Voting Common Stock to such number of shares as shall be sufficient for such purpose. Shares of Voting Common Stock issuable upon conversion of Non-Voting Common Stock shall, when issued, be duly and validly issued, fully paid and nonassessable.

(g) Retirement of Non-Voting Common Stock. If any Non-Voting Common Stock shall be converted into Voting Common Stock pursuant to this Section 4.2, the shares so converted shall be deemed cancelled and the related number of shares shall become authorized but unissued shares of Non-Voting Common Stock.

4.3. Authority to Designate Series of Preferred. Except as otherwise expressly prohibited by the provisions of these Articles of Incorporation and subject to receipt of the approval of any class and/or series of stock as may be required by ORS 60.441 or otherwise under applicable law, shares of Preferred Stock may be issued from time to time in one or more series in any manner permitted by law as determined from time to time by the Board of Directors and stated in the resolution or resolutions providing for the issuance thereof, prior to the issuance of any shares of such series. The Board of Directors shall have the authority to fix and determine, subject to the provisions hereof, the preferences, limitations and relative rights of the shares of any series so established. All shares of a series of Preferred

Stock shall have preferences, limitations and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the articles of amendment adopted by the Board of Directors creating the series, of those of other series of the same class. The preferences, limitations and relative rights of any series may be subordinated to, made *pari passu* with or made senior to any of those of any present or future class or series of Preferred or Common Stock. The Board of Directors is also authorized to increase or decrease the number of shares of any series, prior to the issue of that series.

Section 4.3A Series A Preferred Stock

1. **Designation.** There is hereby designated Eleven Million (11,000,000) shares of Series A Preferred Stock (the "Series A Preferred") with the rights, preferences, and restrictions as described in this Section 4.3A. The Original Issue Price of the Series A Preferred shall be \$1.00 per share (the "Series A Original Issue Price").
2. **Dividends.** The Series A Preferred shall be entitled to receive dividends, when and if declared by the Board of Directors, in amounts (determined on an as-converted-to-common-stock basis) not less than those paid on Series B Preferred (determined on an as converted basis) and Common Stock per share, and in preference to and before any dividends are paid on Series B Preferred Stock, or other Junior Stock (as defined in this Section 4.3A) or Common Stock, but at the same time and on a *pari passu* basis with dividends paid on shares of *Pari Passu* Stock (as defined in this Section 4.3A), and subordinate to dividends paid on shares of Senior Stock (as defined in this Section 4.3A). All dividends upon the Series A Preferred Stock shall be declared *pro rata* per share.
3. **Voting Rights.**
 - (a) **General Rights.** Except as otherwise provided herein (including in Section 4.3A(3)(b)) or as required by law, the Series A Preferred shall be entitled to vote together with holders of shares of Series B Preferred, Voting Common Stock and other voting stock, and not as a separate voting group, on all matters to be voted upon, consented to or approved by the shareholders of the Company generally, whether at any annual or special meeting of shareholders of the Company, or by written consent, in either case upon the following basis: (i) each holder of shares of the Voting Common Stock shall have one (1) vote per share and (ii) each holder of shares of Series A Preferred, Series B Preferred and other Preferred Stock shall be entitled to such number of votes as shall be equal to the whole number of shares of Voting Common Stock into which such holder's aggregate number of shares of Series A Preferred, Series B Preferred or other Preferred Stock, as the case may be, are convertible (pursuant of Section 4.3A(5), 4.3B(5), or otherwise, as the case may be) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent.
 - (b) **Right to Elect Board Seat.** For so long as at least 500,000 shares of Series A Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) remain issued and outstanding, the holders of Series A Preferred voting as a separate voting group shall be entitled to elect one member of the Company's Board of Directors. At any meeting (or in a written consent in lieu thereof) held for the purpose of electing directors, the presence in person or by proxy of at least a majority in interest of the then outstanding shares of Series A Preferred shall constitute quorum.
 - (c) **No Separate Vote of Series Preferred.** Except as otherwise provided herein, the voting rights set forth in this Section 4.3A(3) shall be the only voting rights of holders of Series A Preferred, and the voting rights set forth in Subsection 4.3A(3)(b) above shall be the only voting rights of holders of Series A Preferred as a separate voting group.

4. Liquidation Rights.

(a) Liquidation Preference. Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of Common Stock, Series B Preferred or any other stock of the Company having a liquidation preference that is junior to the Series A Preferred ("Junior Stock" with respect to the Series A Preferred), each holder of Series A Preferred shall, after payment of the liquidation preference to holders of any shares of Preferred Stock having a liquidation preference that is senior to the Series A Preferred ("Senior Stock" with respect to the Series A Preferred), and at the same time as payment is made to shares of Preferred Stock having a liquidation preference that is pari passu with the Series A Preferred ("Pari Passu Stock" with respect to the Series A Preferred), be entitled to be paid out of the assets of the Company an amount per share in respect of such holder's shares of Series A Preferred equal to the Series A Original Issue Price plus all declared and unpaid dividends on the Series A Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) for each share of Series A Preferred held by such holder of Series A Preferred. If, upon any such liquidation, or winding up, the assets of the Company remaining after payment of the liquidation preference to holders of Senior Stock shall be insufficient to make payment in full to all holders of Series A Preferred and Pari Passu Stock of the aggregate liquidation preference for all holders of Series A Preferred set forth in this Section 4.3A(4)(a) and of the aggregate liquidation preference for all holders of Pari Passu Stock, then such remaining assets shall be distributed among the holders of Series A Preferred and Pari Passu Stock at the time outstanding, ratably in proportion to the full amounts to which each holder of Series A Preferred and Pari Passu Stock would otherwise be entitled to receive in respect of such holder's shares of Series A Preferred and Pari Passu Stock.

(b) Distributions on Junior Stock. After the payment of the full liquidation preferences of any Senior Stock, and the Series A Preferred, the remaining assets of the Company legally available for distribution, if any, shall be distributed next to holders of Series B Preferred and any Pari Passu Stock, then to holders of any Preferred Stock that is Junior Stock, as set forth in these Articles, until the full amount of their liquidation preferences shall have been paid in full, and thereafter the remaining assets of the Company legally available for distribution, if any, shall be distributed ratably to the holders of the Common Stock.

(c) Liquidation Events. The following events shall be considered a liquidation under this Section 4.3A(4):

(i) Acquisition. Any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporation reorganization, in which the shareholders of the Company immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Company's voting power immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred, excluding any consolidation or merger effected exclusively to change the domicile of the Company (an "Acquisition"); or

(ii) Asset Transfer. A sale, lease or other disposition of all or substantially all of the assets of the Company (an "Asset Transfer").

(d) Non Cash Consideration. In any of such events, if the consideration received by the Company is other than cash, its value will be deemed its fair market value as determined in good faith by the Board of Directors. Any securities shall be valued as follows:

(i) **Nonrestricted Marketability Securities.** Securities not subject to investment letter or other similar restrictions on free marketability covered by (ii) below: (a) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such quotation system over the thirty (30) day period ending three (3) days prior to the closing; (b) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and (c) if there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board of Directors.

(ii) **Restricted Marketability Securities.** The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (i) (a), (b) or (c) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors and the holders of at least a majority of the voting power of all then outstanding shares of such Preferred Stock.

5. **Conversion Rights.** The holders of the Series A Preferred shall have the following rights with respect to the conversion of the Series A Preferred into shares of Voting Common Stock (the "**Conversion Rights**") with respect to the Series A Preferred:

(a) **Optional Conversion.** Subject to and in compliance with the provisions of this Section 4.3A(5), any shares of Series A Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Voting Common Stock. The number of shares of Voting Common Stock to which a holder of Series A Preferred shall be entitled upon conversion shall be the product obtained by multiplying the Series A Preferred Conversion Rate (as defined below) then in effect (determined as provided in Section 4.3A(5)(b) below) by this number of shares of Series A Preferred being converted.

(b) **Series A Preferred Conversion Rate.** The conversion rate in effect at any time for conversion of the Series A Preferred (the "**Series A Preferred Conversion Rate**") shall be the quotient obtained by dividing the Series A Original Issue Price by the Series A Preferred Conversion Price (as defined below); calculated as provided in Section 4.3A(5)(c) immediately below.

(c) **Series A Preferred Conversion Price.** The conversion price for the Series A Preferred shall initially be the Series A Original Issue Price (the "**Series A Preferred Conversion Price**"). Such initial Series A Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 4.3A(5). All references to the Series A Preferred Conversion Price herein shall mean the Series A Preferred Conversion Price as so adjusted.

(d) **Mechanics of Conversion.** Each holder of Series A Preferred who desires to convert the same into shares of Voting Common Stock pursuant to this Section 4.3A(5) shall surrender the certificate therefor, duly endorsed, at the office of the Company or any transfer agent for the Series A Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series A Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Voting Common Stock to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefore, in Voting Common Stock (at the Voting Common Stock fair market value determined in good faith by the Board of Directors as of the date of such conversion), any declared and unpaid dividends on the shares of Series A Preferred being converted and (ii) in cash (at the Voting Common Stock's fair market value determined in good faith by the Board of Directors as of the date of conversion) the value of any fractional share of Voting Common

Stock otherwise issuable to such holder of Series A Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Series A Preferred to be converted, and the person entitled to receive the shares of Voting Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Voting Common Stock on such date.

(e) **Adjustment for Stock Splits and Combinations.** If the Company shall at any time or from time to time after the date that the first share of Series A Preferred is issued (the "Series A Original Issue Date") effect a subdivision of the outstanding Common Stock without a corresponding subdivision of the Preferred Stock, the Series A Preferred Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if the Company shall at any time or from time to time after the Series A Original Issue Date combine the outstanding shares of Common Stock into smaller number of shares without a corresponding combination of the Preferred Stock, the Series A Preferred Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 4.3A(5)(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) **Adjustment for Common Stock Dividends and Distributions in Kind.** If the Company at any time or from time to time after the Series A Original Issue Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a Common Stock dividend or other distribution in kind of Common Stock (a "Common Stock Dividend or Distribution in Kind"), the Series A Preferred Conversion Price then in effect shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date. The adjusted Series A Preferred Conversion Price shall be calculated by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the record date of any such Common Stock Dividend or Distribution in Kind then pending, and (ii) the denominator of which is the numerator above plus the number of shares of Common Stock Dividends or Distributions in Kind then pending; provided, however, that if a record date for a Common Stock Dividend or Distribution in Kind is fixed and such Common Stock Dividend or Distribution in Kind is not fully paid or if such distribution is not fully made on the date fixed therefor, then the Series A Preferred Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Preferred Conversion Price shall be adjusted pursuant to this Section 4.3A(5)(f) to reflect the actual payment of such Common Stock Dividend or Distribution in Kind.

(g) **Adjustment for Reclassification, Exchange and Substitution.** If at any time or from time to time after the Series A Original Issue Date, the Voting Common Stock issuable upon the conversion of the Series A Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than an Acquisition or Asset Transfer as defined in Section 4.3A(4)(c) or a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 4.3A(5)), in any such event each holder of Series A Preferred shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the maximum number of shares of Voting Common Stock into which such shares of Series A Preferred could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(h) **Reorganizations, Mergers, Consolidations or Sales of Assets.** If at any time or from time to time after the Series A Original Issue Date, there is a capital reorganization of the Common Stock (other than an Acquisition or Asset Transfer as defined in Section 4.3A(4)(c) or a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in

this Section 4.3A(5)), as a part of such capital reorganization, provision shall be made so that the holders of the Series A Preferred shall thereafter be entitled to receive upon conversion of the Series A Preferred the number of shares of stock or other securities or property of the Company to which a holder of the number of shares of Voting Common Stock deliverable upon conversion would have been entitled on such capital reorganization, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4.3A(5) with respect to the rights of the holders of Series A Preferred after the capital reorganization to the end that the provisions of this Section 4.3A(5) (including adjustment of the Series A Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Series A Preferred) shall be applicable after the event and be as nearly equivalent as practicable.

(i) **Certificate of Adjustment.** In each case of an adjustment or readjustment of the Series A Preferred Conversion Price for the number of shares of Voting Common Stock or other securities issuable upon conversion of the Series A Preferred, if the Series A Preferred is then convertible pursuant to this Section 4.3A(5), the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series A Preferred at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the Series A Preferred Conversion Price at the time in effect and (ii) the type and amount, if any, of other property which at the time would be received upon conversion of the Series A Preferred.

(j) **Notices of Record Date.** Upon (i) any taking by the Company of a record 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, or (ii) any Acquisition (as defined in Section 4.3A(4)(c)) or other capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 4.3A(4)(c)), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Series A Preferred at least ten (10) days prior to the record date specified therein (or such shorter period approved by a majority of the outstanding Series A Preferred) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution; (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(k) **Automatic Conversion.**

(i) **Initial Public Offering.** Each share of Series A Preferred shall automatically be converted into shares of Voting Common Stock, based on the then-effective Series A Preferred Conversion Price, immediately upon the closing of a Qualifying IPO.

(ii) **Mechanics of Automatic Conversion.** Upon the occurrence of the event specified in Section 4.3A(5)(k)(i) immediately above, the outstanding shares of Series A Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Voting

Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series A Preferred are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Series A Preferred, the holders of Series A Preferred shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the Series A Preferred. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Voting Common Stock into which the shares of Series A Preferred surrendered were convertible on the date on which such automatic conversion occurred, and any declared and unpaid dividends shall be paid in accordance with the provisions of Section 4.3A(5)(d).

(l) **Fractional Shares.** No fractional shares of Voting Common Stock shall be issued upon conversion of Series A Preferred. All shares of Voting Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred by a holder thereof shall 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 would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Voting Common Stock's fair market value (as determined in good faith by the Board of Directors) on the date of conversion.

(m) **Reservation of Stock Issuable Upon Conversion.** The Company shall at all times reserve and keep available out of its authorized but unissued shares of Voting Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred, such number of its shares of Voting Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred. If at any time the number of authorized but unissued shares of Voting Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Voting Common Stock to such number of shares as shall be sufficient for such purpose.

(n) **Payment of Taxes.** The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Voting Common Stock upon conversion of shares of Series A Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Voting Common Stock in a name other than that in which the shares of Series A Preferred so converted were registered.

Section 4.3B Series B Preferred Stock

1. **Designation.** There is hereby designated Fourteen Million (14,000,000) shares of Series B Preferred Stock (the "Series B Preferred") with the rights, preferences, and restrictions as described in this Section 4.3(B). The Original Issue Price of a share of Series B Preferred shall be the amount per share at which such share of Series B Preferred was originally issued by the Company to its initial holder, as set forth in the Company's stock records (the "Series B Original Issue Price").

2. **Dividends.** The Series B Preferred will be subordinate to shares of Series A Preferred and other Senior Stock (as defined in this Section 4.3B) with respect to dividends, but will be pari passu with Pari Passu Stock (as defined in this Section 4.3B) respect to dividends, and will have a preference over Common Stock and other Junior Stock (as defined in this Section 4.3B) with respect to dividends.

Series B Preferred shall be entitled to receive dividends, when and if declared by the Board of Directors, in amounts (determined on an as-converted-to-common-stock basis) not less than those paid on Common Stock per share, and in preference to and before any dividends are paid on Common Stock. All dividends upon the Series B Preferred Stock shall be declared pro rata per share.

3. Voting Rights.

(a) General Rights. Except as otherwise provided herein (including in Section 4.3A(3)(b)) or as required by law, the Series B Preferred shall be entitled to vote together with holders of shares of Series A Preferred, Voting Common Stock and other voting stock, and not as a separate voting group, on all matters to be voted upon, consented to or approved by the shareholders of the Company generally, whether at any annual or special meeting of shareholders of the Company, or by written consent, in either case upon the following basis: (i) each holder of shares of the Voting Common Stock shall have one (1) vote per share and (ii) each holder of shares of Series B Preferred, Series A Preferred and other Preferred Stock shall be entitled to such number of votes as shall be equal to the whole number of shares of Voting Common Stock into which such holder's aggregate number of shares of Series B Preferred, Series A Preferred or other Preferred Stock, as the case may be, are convertible (pursuant of Section 4.3B(5), 4.3A(5), or otherwise, as the case may be) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent.

(b) No Separate Vote of Series Preferred. Except as otherwise provided herein, the voting rights set forth in this Section 4.3B(3) shall be the only voting rights of holders of Series B Preferred and the Series B Preferred shall have no voting rights as a separate voting group.

4. Liquidation Rights.

(a) Liquidation Preference. The Series B Preferred Shares will be subordinate to the Series A Preferred shares with respect to liquidation preference, and to any other shares of Preferred Stock having a liquidation preference that is senior to the Series B Preferred ("Senior Stock" with respect to the Series B Preferred). Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any other stock having a liquidation preference that is junior to the Series A Preferred, Series B Preferred and other Senior Stock of the Company ("Junior Stock" with respect to the Series B Preferred), each holder of Series B Preferred shall, after payment of the liquidation preference to holders of any shares of Series A Preferred and of any other Senior Stock, and at the same time as payment is made to shares of Preferred Stock having a liquidation preference that is pari passu with the Series B Preferred ("Pari Passu Stock" with respect to the Series B Preferred), be entitled to be paid out of the assets of the Company an amount per share in respect of such holder's shares of Series B Preferred equal to the applicable Series B Original Issue Price plus all declared and unpaid dividends on the Series B Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) for each share of Series B Preferred held by such holder of Series B Preferred. If, upon any such liquidation, or winding up, the assets of the Company remaining after payment of the liquidation preference to holders of Series A Preferred and any other Senior Stock shall be insufficient to make payment in full to all holders of Series B Preferred and Pari Passu Stock of the aggregate liquidation preference for all holders of Series B Preferred set forth in this Section 4.3B(4)(a) and of the aggregate liquidation preference for all holders of Pari Passu Stock, then such remaining assets shall be distributed among the holders of Series B Preferred and Pari Passu Stock at the time outstanding, ratably in proportion to the full amounts to which each holder of Series B Preferred and Pari Passu Stock would otherwise be entitled to receive in respect of such holder's shares of Series B Preferred and Pari Passu Stock.

(b) **Distributions on Junior Stock.** After the payment of the full liquidation preferences of the Series A Preferred and any other Senior Stock, the remaining assets of the Company legally available for distribution, if any, shall be distributed next to holders of Series B Preferred and any Pari Passu Stock, then to holders of any Preferred Stock that is Junior Stock, as set forth in these Articles, until the full amount of their liquidation preferences shall have been paid in full, and thereafter the remaining assets of the Company legally available for distribution, if any, shall be distributed ratably to the holders of the Common Stock.

(c) **Liquidation Events.** The following events shall be considered a liquidation under this Section 4.3B(4):

(i) **Acquisition.** Any Acquisition, or

(ii) **Asset Transfer.** An Asset Transfer.

(d) **Non Cash Consideration.** In any of such events, if the consideration received by the Company is other than cash, its value will be deemed its fair market value as determined in good faith by the Board of Directors. Any securities shall be valued as follows:

(i) **Nonrestricted Marketability Securities.** Securities not subject to investment letter or other similar restrictions on free marketability covered by (ii) below: (a) if traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such quotation system over the thirty (30) day period ending three (3) days prior to the closing; (b) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and (c) if there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board of Directors.

(ii) **Restricted Marketability Securities.** The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (i): (a), (b) or (c) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors and the holders of at least a majority of the voting power of all then outstanding shares of such Preferred Stock.

5. **Conversion Rights.** The holders of the Series B Preferred shall have the following rights with respect to the conversion of the Series B Preferred into shares of Voting Common Stock (the "Conversion Rights" with respect to the Series B Preferred):

(a) **Optional Conversion.** Subject to and in compliance with the provisions of this Section 4.3B(5), any shares of Series B Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Voting Common Stock. The number of shares of Voting Common Stock to which a holder of Series B Preferred shall be entitled upon conversion shall be the product obtained by multiplying the Series B Preferred Conversion Rate (as defined below) then in effect with respect to such share of Series B Preferred (determined as provided in Section 4.3B(5)(b) below) by the number of shares of Series B Preferred being converted.

(b) **Series B Preferred Conversion Rate.** The conversion rate in effect at any time for conversion of a share of Series B Preferred (the "Series B Preferred Conversion Rate") shall be the quotient obtained by dividing the Series B Original Issue Price for such share of Series B Preferred by the

then applicable Series B Preferred Conversion Price (as defined below) for such share of Series B Preferred calculated as provided in Section 4.3B(5)(c) immediately below.

(c) **Series B Preferred Conversion Price.** The conversion price for a share of Series B Preferred shall initially be the Series B Original Issue Price for such share of Series B Preferred (the "Series B Preferred Conversion Price"). Such initial Series B Preferred Conversion Price for such share of Series B Preferred shall be adjusted from time to time in accordance with this Section 4.3B(5). All references to the Series B Preferred Conversion Price with respect to a share of Series B Preferred herein shall mean the Series B Preferred Conversion Price with respect to such share of Series B Preferred as so adjusted.

(d) **Mechanics of Conversion.** Each holder of Series B Preferred who desires to convert the same into shares of Voting Common Stock pursuant to this Section 4.3B(5) shall surrender the certificate therefor, duly endorsed, at the office of the Company or any transfer agent for the Series B Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series B Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Voting Common Stock to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefore, in Voting Common Stock (at the Voting Common Stock fair market value determined in good faith by the Board of Directors as of the date of such conversion), any declared and unpaid dividends on the shares of Series B Preferred being converted and (ii) in cash (at the Voting Common Stock's fair market value determined in good faith by the Board of Directors as of the date of conversion) the value of any fractional share of Voting Common Stock otherwise issuable to such holder of Series B Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Series B Preferred to be converted, and the person entitled to receive the shares of Voting Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Voting Common Stock on such date.

(e) **Adjustment for Stock Splits and Combinations.** If the Company shall at any time or from time to time after the date that the applicable share of Series B Preferred is issued (the "Series B Original Issue Date") with respect to a share of Series B Preferred effect a subdivision of the outstanding Common Stock without a corresponding subdivision of the Preferred Stock, the Series B Preferred Conversion Price with respect to a share of Series B Preferred in effect immediately before that subdivision shall be proportionately decreased. Conversely, if the Company shall at any time or from time to time after the Series B Original Issue Date with respect to a share of Series B Preferred combine the outstanding shares of Common Stock into smaller number of shares without a corresponding combination of the Preferred Stock, the Series B Preferred Conversion Price with respect to such share of Series B Preferred in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 4.3B(5)(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) **Adjustment for Common Stock Dividends and Distributions.** If the Company at any time or from time to time after the Series B Original Issue Date with respect to a share of Series B Preferred makes or fixes a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock, in each such event the Series B Preferred Conversion Price that is then in effect with respect to a share of Series B Preferred shall be decreased as of the time of such issuance or, in the event such record date fixed, as of the close of business on such record date, by multiplying the Series B Preferred Conversion Price then in effect with respect to a share of Series B Preferred by a fraction (x) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the

close of business on such record date, and (ii) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefore, the Series B Preferred Conversion Price with respect to a share of Series B Preferred shall be recomputed accordingly as of the close of business on such record date and thereafter the Series B Preferred Conversion Price with respect to such share of Series B Preferred shall be adjusted pursuant to this Section 4.3B(5)(f) to reflect the actual payment of such dividend or distribution.

(g) **Adjustment for Reclassification, Exchange and Substitution.** If at any time or from time to time after the Series B Original Issue Date with respect to a share of Series B Preferred, the Voting Common Stock issuable upon the conversion of the Series B Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than an Acquisition or Asset Transfer as defined in Section 4.3B(4)(c) or a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 4.3B(5)), in any such event each holder of Series B Preferred shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the maximum number of shares of Voting Common Stock into which such shares of Series B Preferred could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(h) **Reorganizations, Mergers, Consolidations or Sales of Assets.** If at any time or from time to time after the Series B Original Issue Date with respect to a share of Series B Preferred, there is a capital reorganization of the Common Stock (other than an Acquisition or Asset Transfer as defined in Section 4.3B(4)(c) or a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this Section 4.3B(5)), as a part of such capital reorganization, provision shall be made so that the holders of the Series B Preferred shall thereafter be entitled to receive upon conversion of the Series B Preferred the number of shares of stock or other securities or property of the Company to which a holder of the number of shares of Voting Common Stock deliverable upon conversion would have been entitled on such capital reorganization, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4.3B(5) with respect to the rights of the holders of Series B Preferred after the capital reorganization to the end that the provisions of this Section 4.3B(5) (including adjustment of the Series B Preferred Conversion Price then in effect with respect to a share of Series B Preferred and the number of shares issuable upon conversion of such share of Series B Preferred) shall be applicable after the event and be as nearly equivalent as practicable.

(i) **Certificate of Adjustment.** In each case of an adjustment or readjustment of the Series B Preferred Conversion Price with respect to a share of Series B Preferred for the number of shares of Voting Common Stock or other securities issuable upon conversion of such share of Series B Preferred, if the Series B Preferred is then convertible pursuant to this Section 4.3B(5), the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series B Preferred at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the Series B Preferred Conversion Price at the time in effect with respect to a share of Series B Preferred and

(ii) the type and amount, if any, of other property which at the time would be received upon conversion of such share of Series B Preferred.

(j) **Notices of Record Date.** Upon (i) any taking by the Company of a record 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, or (ii) any Acquisition (as defined in Section 4.3B(4)(c)) or other capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 4.3B(4)(c)), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Series B Preferred at least ten (10) days prior to the record date specified therein (or such shorter period approved by a majority of the outstanding Series B Preferred) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective; and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(k) **Automatic Conversion.**

(i) **Initial Public Offering.** Each share of Series B Preferred shall automatically be converted into shares of Voting Common Stock, based on the then-effective Series B Preferred Conversion Price with respect to such applicable share of Series B Preferred, immediately upon the closing of a Qualifying IPO.

(ii) **Mechanics of Automatic Conversion.** Upon the occurrence of the event specified in Section 4.3B(5)(k)(i) immediately above, the outstanding shares of Series B Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Voting Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series B Preferred are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Series B Preferred, the holders of Series B Preferred shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the Series B Preferred. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Voting Common Stock into which the shares of Series B Preferred surrendered were convertible on the date on which such automatic conversion occurred, and any declared and unpaid dividends shall be paid in accordance with the provisions of Section 4.3B(5)(d).

(l) **Fractional Shares.** No fractional shares of Voting Common Stock shall be issued upon conversion of Series B Preferred. All shares of Voting Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series B Preferred by a holder thereof shall 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 would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the

product of such fraction multiplied by the Voting Common Stock's fair market value (as determined in good faith by the Board of Directors) on the date of conversion.

(m) **Reservation of Stock Issuable Upon Conversion.** The Company shall at all times reserve and keep available out of its authorized but unissued shares of Voting Common Stock, solely for the purpose of effecting the conversion of the shares of the Series B Preferred, such number of its shares of Voting Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series B Preferred. If at any time the number of authorized but unissued shares of Voting Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Voting Common Stock to such number of shares as shall be sufficient for such purpose.

(n) **Payment of Taxes.** The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Voting Common Stock upon conversion of shares of Series B Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Voting Common Stock in a name other than that in which the shares of Series B Preferred so converted were registered.

4.4 Distributions to Shareholders

The Board of Directors' right to authorize and make distributions to its shareholders is subject to the restrictions set forth in ORS 60.181 and such other applicable legal restrictions as are or may hereafter become effective; provided, however, that for purposes of the determination to be made by the Board of Directors pursuant to ORS 60.181(3), the Board of Directors need not consider the amount that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

ARTICLE 5 SHAREHOLDER ACTION WITHOUT A MEETING

Any action required or permitted by the Oregon Business Corporation Act or these Articles of Incorporation to be taken at a meeting of shareholders of the Company may be taken without a meeting if the action is taken by all shareholders entitled to vote on the action.

ARTICLE 6 LIMITATION OF DIRECTOR LIABILITY

6.1. **Liability.** The liability of the directors to this Company or its shareholders for monetary damages for conduct as a director shall be limited or eliminated to the fullest extent permitted under applicable law, as it exists on the date of filing of these Third Amended and Restated Articles of Incorporation with the Oregon Secretary of State or thereafter.

6.2. **Repeal.** Any repeal or modification of this Article 6 shall only be prospective and shall not affect the rights or protections of a director under this Article 6 in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

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**ARTICLE 7
MISCELLANEOUS**

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its shareholders or any class thereof, as the case may be, it is further provided that:

7.1. **Board of Directors.** The management of the business and the conduct of the affairs of the Company shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by the Board of Directors in the manner provided in the Bylaws.

7.2. **Election of Directors.** The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

**ARTICLE 8
ADOPTION OF ARTICLES**

These Third Amended and Restated Articles of Incorporation were adopted by the Company's Board of Directors on July 29, 2015 and were approved by the Company's Shareholders on August 25, 2015. They are effective immediately upon approval by the Company's Shareholders and the filing of these Third Amended and Restated Articles of Incorporation with the Oregon Secretary of State.