

L15941

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐

PICK-UP

☐

WAIT

☐

MAIL

(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

Special Instructions to Filing Officer:

Office Use Only



200316278782

FILED

2018 JUL 27 AM 9:13

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

18 JUL 27 PM 3:34

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Albritton/CC

JUL 30 2018

ALBRITTON

CT Corp.

3458 Lakeshore Drive, Tallahassee, FL 32312
850-656-4724

Date: 7/27/2018

Acc#120160000072



| | |
|-------------|------------------------------------|
| Name: | Kappa Acquisition Subsidiary, Inc. |
| Document #: | |
| Order #: | 11091174 |

| | | | | |
|-----------------------------------|--------------------------|--|-------------------------|--|
| Certified Copy of Arts & Amend: | <input type="checkbox"/> | | | |
| Plain Copy: | <input type="checkbox"/> | | | |
| Certificate of Good Standing: | <input type="checkbox"/> | | | |
| | <input type="checkbox"/> | | | |
| Apostille/Notarial Certification: | <input type="checkbox"/> | | Country of Destination: | |
| | | | Number of Certs: | |

| | |
|---------|------------|
| Filing: | Certified: |
| | Plain: |
| | COGS: |

| |
|---------------------|
| Availability _____ |
| Document _____ |
| Examiner _____ |
| Updater _____ |
| Verifier _____ |
| W.P. Verifier _____ |
| Ref# _____ |

Amount: \$ ~~43.75~~

178.75

Spoke w/ Tina
re: Fee on
7/30/18
Advised of the
difference

Thank you!

COVER LETTER

TO: Amendment Section
Division of Corporations

SUBJECT: Quantum Technology Sciences, Inc.

Name of Surviving Corporation

The enclosed Articles of Merger and fee are submitted for filing.

Please return all correspondence concerning this matter to following:

Contact Person

Firm/Company

Address

City/State and Zip Code

mtinker@qtsi.com

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

For further information concerning this matter, please call:

Name of Contact Person

At (_____) _____
Area Code & Daytime Telephone Number



Certified copy (optional) \$8.75 (Please send an additional copy of your document if a certified copy is requested)

STREET ADDRESS:

Amendment Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, Florida 32301

MAILING ADDRESS:

Amendment Section
Division of Corporations
P.O. Box 6327
Tallahassee, Florida 32314

ARTICLES OF MERGER

(Profit Corporations)

The following articles of merger are submitted in accordance with the Florida Business Corporation Act, pursuant to section 607.1105, Florida Statutes.

First: The name and jurisdiction of the surviving corporation:

| <u>Name</u> | <u>Jurisdiction</u> | <u>Document Number</u> (If known/ applicable) |
|-----------------------------------|---------------------|--|
| Quantum Technology Sciences, Inc. | Florida | L15941 |

Second: The name and jurisdiction of each merging corporation:

| <u>Name</u> | <u>Jurisdiction</u> | <u>Document Number</u> (If known/ applicable) |
|------------------------------------|---------------------|--|
| Kappa Acquisition Subsidiary, Inc. | Florida | P18000064354 |
| | | |
| | | |
| | | |
| | | |

Third: The Plan of Merger is attached.

Fourth: The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

OR ____/____/____ (Enter a specific date. NOTE: An effective date cannot be prior to the date of filing or more than 90 days after merger file date.)

Note: If the date inserted in this block does not meet the applicable statutory filing requirements, this date will not be listed as the document's effective date on the Department of State's records.

Fifth: Adoption of Merger by surviving corporation - (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the surviving corporation on July 24, 2018.

The Plan of Merger was adopted by the board of directors of the surviving corporation on _____ and shareholder approval was not required.

Sixth: Adoption of Merger by merging corporation(s) (COMPLETE ONLY ONE STATEMENT)

The Plan of Merger was adopted by the shareholders of the merging corporation(s) on July 26, 2018.

The Plan of Merger was adopted by the board of directors of the merging corporation(s) on _____ and shareholder approval was not required.

(Attach additional sheets if necessary)

2018 JUL 27 AM 9:18
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FILED

Seventh: SIGNATURES FOR EACH CORPORATION

Name of Corporation

Signature of an Officer or Director _____

Typed or Printed Name of Individual & Title

Quantum Technology Sciences, Inc

man 2

Mark Tinker, President and CEO

Kappa Acquisition Subsidiary, Inc

Tom McEntire, Director, CFO and Secretary

Seventh: SIGNATURES FOR EACH CORPORATION

Name of Corporation

Signature of an Officer or Director

Typed or Printed Name of Individual & Title

Quantum Technology Sciences, Inc

Mark Tinker, President and CEO

Kappa Acquisition Subsidiary, Inc

Tom McEntire, Director, CFO and Secretary

PLAN OF MERGER

(Non Subsidiaries)

The following plan of merger is submitted in compliance with section 607.1101, Florida Statutes, and in accordance with the laws of any other applicable jurisdiction of incorporation.

First: The name and jurisdiction of the surviving corporation:

Name

Jurisdiction

Quantum Technology Sciences, Inc.

Florida

Second: The name and jurisdiction of each merging corporation:

Name

Jurisdiction

Kappa Acquisition Subsidiary, Inc.

Florida

Third: The terms and conditions of the merger are as follows:

See attached Annex A

Fourth: The manner and basis of converting the shares of each corporation into shares, obligations, or other securities of the surviving corporation or any other corporation or, in whole or in part, into cash or other property and the manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, or other securities of the surviving or any other corporation or, in whole or in part, into cash or other property are as follows:

See attached Annex A

(Attach additional sheets if necessary)

THE FOLLOWING MAY BE SET FORTH IF APPLICABLE:

Amendments to the articles of incorporation of the surviving corporation are indicated below or attached:

OR

Restated articles are attached:

*See attached Amended and Restated
Articles of Incorporation*

Other provisions relating to the merger are as follows:

See attached Annex A.

PLAN OF MERGER
(Merger of subsidiary corporation(s))

The following plan of merger is submitted in compliance with section 607.1104, Florida Statutes, and in accordance with the laws of any other applicable jurisdiction of incorporation.

The name and jurisdiction of the **parent** corporation owning at least 80 percent of the outstanding shares of each class of the subsidiary corporation:

| <u>Name</u> | <u>Jurisdiction</u> |
|-------------|---------------------|
| _____ | _____ |

The name and jurisdiction of each **subsidiary** corporation:

| <u>Name</u> | <u>Jurisdiction</u> |
|-------------|---------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

The manner and basis of converting the shares of the subsidiary or parent into shares, obligations, or other securities of the parent or any other corporation or, in whole or in part, into cash or other property, and the manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, and other securities of the surviving or any other corporation or, in whole or in part, into cash or other property are as follows:

(Attach additional sheets if necessary)

If the merger is between the parent and a subsidiary corporation and the parent is not the surviving corporation, a provision for the pro rata issuance of shares of the subsidiary to the holders of the shares of the parent corporation upon surrender of any certificates is as follows:

If applicable, shareholders of the subsidiary corporations, who, except for the applicability of section 607.1104, Florida Statutes, would be entitled to vote and who dissent from the merger pursuant to section 607.1321, Florida Statutes, may be entitled, if they comply with the provisions of chapter 607 regarding appraisal rights of dissenting shareholders, to be paid the fair value of their shares.

Other provisions relating to the merger are as follows:

ANNEX A TO THE ARTICLES OF MERGER

- I. This Plan of Merger is being filed pursuant to that certain Agreement and Plan of Merger (the “**Agreement**”) made and entered into as of July 27, 2018 (the “**Closing Date**”), by and among Geospace Technologies Corporation, a Texas corporation (“**Acquiror**”), Kappa Acquisition Subsidiary, Inc., a Florida corporation and wholly-owned subsidiary of Acquiror (“**Sub**”), Quantum Technology Sciences, Inc., a Florida corporation (the “**Company**”), and Stephen M. Trippe, solely in his capacity as agent for the Company Holders. At the Closing, Acquiror, Sub and the Company shall cause the Articles of Merger to be filed with the Secretary of State of the State of Florida in accordance with the relevant provisions of the Florida Business Corporation Act and the time of filing is the “**Effective Time**”.
- II. At the Effective Time, on the terms and subject to the conditions set forth in the Agreement, the Florida Articles of Merger, and the applicable provisions of the Florida Business Corporations Act, Sub shall merge with and into the Company, the separate corporate existence of Sub shall cease and the Company shall continue as the surviving corporation (the “**Surviving Corporation**”) and shall become a wholly-owned subsidiary of Acquiror in consideration for the payment by Acquiror of the Total Merger Consideration (as defined below), subject to the terms and conditions of the Agreement (the “**Merger**”).
- III. **Total Merger Consideration** means, subject to the terms and conditions of the Agreement, (A) \$4,500,000, less (B) the amount of any transaction expenses of the Company in connection with the Merger, not accrued and reflected on the net working capital certificate, less (C) the amount, if any, by which the Net Working Capital (as defined below) is less than target working capital of (\$300,476) (the “**Target Working Capital**”), plus (D) the amount, if any, by which the Net Working Capital is greater than Target Working Capital, less (E) the amount of payments made by Acquiror to satisfy indebtedness of the Company stated on the company debt certificate, less (F) the amount necessary to satisfy the Company’s obligations under its Executive Nonqualified Excess Plan, less (G) the Employee Stock Ownership Plan expense reserve, which is the amount of \$36,600, plus (H) the Earn-Out Amount (as defined below), if any. In each case, any deductions or additions to Total Merger Consideration shall be made without duplication.
 - a. “**Net Working Capital**” means (A) the Company’s total cash and other current assets as of the close of business on the day prior to the Closing Date less (B) the Company’s total current liabilities as of the close of business on the day prior to the closing date, in each case determined in accordance with GAAP applied on a consistent basis with the Company’s past practices. For purposes of calculating Net Working Capital, the Company’s current liabilities shall exclude all Company Debt, the Deferred Compensation Plan Liability, deferred tax liabilities and all Transaction Expenses, and the Company’s current assets shall exclude deferred tax assets.

- b. **"Earn-Out Amount"** shall consist of four annual payments (during the four-year period subsequent to Closing (the **"Earn-Out Period"**)), where each payment shall be equal to a percentage set forth in the Agreement of eligible products revenue for the immediately preceding year; provided, that the aggregate Earn-Out Amount over the Earn-Out Period shall not exceed \$23,500,000, which may be paid in the form of cash or Acquiror common stock, or a combination thereof at Acquiror's option.

IV. On the terms and subject to the conditions set forth in this Agreement, by virtue of the Merger and without any action on the part of Acquiror, Sub, the Company or any holder of the Company capital stock, Company warrants and/or Company options, each share of Company capital stock, each Company warrant and each Company option issued and outstanding immediately prior to the Effective Time (other than dissenting shares and shares owned by the Company) shall be automatically converted into the right to receive, an amount of cash (without interest and subject to any applicable withholding or other Taxes required by applicable legal requirements to be withheld or otherwise paid by the Company, including any fringe benefit tax) or Acquiror common stock (in the case of payments of the Earn-Out Amount), in each case subject to and in accordance with the Agreement.

V. Each share of capital stock of Sub that is issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without further action on the part of Acquiror, Sub, the Company or the sole stockholder of Sub, be converted into and become one share of common stock of the Surviving Corporation (and the shares of Surviving Corporation into which the shares of Sub capital stock are so converted shall be the only shares of the Surviving Corporation's capital stock that are issued and outstanding immediately after the Effective Time). Each certificate evidencing ownership of shares of Sub common stock shall evidence ownership of such shares of common stock of the Surviving Corporation.

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
QUANTUM TECHNOLOGY SCIENCES, INC.

In accordance with Section 607.1007 and 607.1106 of the Florida Business Corporation Act (the "Act"), the articles of incorporation of Quantum Technology Sciences, Inc., a Florida corporation, are hereby amended and restated (the "Amended and Restated Articles of Incorporation") to read in their entirety as follows:

FIRST: The name of this corporation is Quantum Technology Sciences, Inc. (the "Corporation").

SECOND: The general purpose of the Corporation shall be the transaction of any and all lawful business for which corporations may be incorporated under the Act. The Corporation shall have all of the powers enumerated in the Act and all such other powers as are not specifically prohibited to corporations for profit under the laws of the State of Florida.

THIRD: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 4,000,000 shares of Common Stock, \$0.01 par value per share (the "Common Stock"), and (ii) 3,000,000 shares of Preferred Stock, \$0.01 par value per share (the "Preferred Stock").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of shareholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Articles of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Articles of Incorporation or pursuant to the Act. No person entitled to vote at an election for directors may cumulate votes to which such person is entitled, unless otherwise required by the Act. No shareholder, however, shall be entitled to so cumulate such shareholder's votes unless (i) the names of such candidate or candidates have been placed in nomination prior to the voting and (ii) the shareholder has given notice at the

meeting, prior to the voting, of such shareholder's intention to cumulate such shareholder's votes. If any shareholder has given proper notice to cumulate votes, all shareholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

B. PREFERRED STOCK

The Board of Directors of the Corporation is authorized, by resolution or resolutions, at any time and from time to time, to divide and establish any or all of the shares of Preferred Stock into one or more series and, without limiting the generality of the foregoing, to fix and determine the designation of each such share, and its preferences, conversion rights, cumulative, relative, participating, optional, or other rights, including voting rights, qualifications, limitations, or restrictions thereof.

FOURTH: Subject to any additional vote required by the Articles of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

FIFTH: Subject to any additional vote required by the Articles of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SIXTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

SEVENTH: Meetings of shareholders may be held within or without the State of Florida, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Florida at such place or places as may be designated from time to time by the Board or in the Bylaws of the Corporation.

EIGHTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. If the Act or any other law of the State of Florida is amended after approval by the shareholders of this Article Eighth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act as so amended.

Any repeal or modification of the foregoing provisions of this Article Eighth by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

NINTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which Act permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by the Act.

Any amendment, repeal or modification of the foregoing provisions of this Article Ninth shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

* * *