

P06000092716

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP

☐ WAIT

☐ MAIL

(Business Entity Name)

(Document Number)

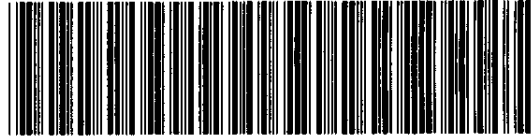
Certified Copies _____ Certificates of Status _____

Special Instructions to Filing Officer:

9445

3rd/11

Office Use Only



400289897504

RECEIVED
DEPARTMENT OF STATE
16 SEP 12 AM 11:57

16 SEP 12 AM 11:57

RECEIVED
DEPARTMENT OF STATE
16 SEP 12 AM 10:53

Amend

SEP 13 2016

D CONNELL

*Please file third &
Thanks!*

CORPORATION SERVICE COMPANY
1201 Hays Street
Tallahassee, FL 32301
Phone: 850-558-1500

ACCOUNT NO. : I200000000195

REFERENCE : 286584 8739A

AUTHORIZATION :

COST LIMIT : \$ 35.00

Louisa

ORDER DATE : September 9, 2016

ORDER TIME : 9:39 AM

ORDER NO. : 286584-015

CUSTOMER NO: 8739A

DOMESTIC AMENDMENT FILING

NAME: HICONVERSION, INC.

EFFECTIVE DATE:

XX ARTICLES OF AMENDMENT
 RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

 CERTIFIED COPY
XX PLAIN STAMPED COPY
 CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Melissa Zender -- EXT# 62956

EXAMINER'S INITIALS: _____

**ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
HICONVERSION, INC.**

**AMENDED AND RESTATED
CERTIFICATE OF DESIGNATION
OF
SERIES A PREFERRED STOCK**

Pursuant to the provisions of Sections 607.1006 and 607.0602, Florida Statutes, and with the approval of the holders of the Company's Class A Common Stock, Series A Preferred Stock, and Series B Preferred Stock, the Company's Board of Directors has adopted the following resolutions amending and restating the Company's Certificate of Designation of Series A Preferred Stock filed on November 18, 2010, as amended on November 22, 2010, May 23, 2012, August 7, 2012, and February 3, 2014 (collectively, the "Series A Designation"), as follows:

RESOLVED, that the Series A Designation is hereby amended to read in its entirety as follows:

1. Designation and Amount. The shares of such series shall be designated as the "Series A Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting such series shall be 1,520,000. Such number of shares may be increased or decreased from time-to-time by resolution of the Board of Directors; provided, however, that (a) such increase or decrease is approved by all the holders of Series A Preferred Stock in accordance with Section 4(b) and (b) such number may not be decreased below the number of then currently outstanding shares of Series A Preferred Stock. The Series A Preferred Stock shall rank equally with shares of Series B Preferred Stock of the Company and the Series C Preferred Stock of the Company, and shall rank senior to the Common Stock and any other class or series of stock of the Company, with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Company, as set forth below.

2. Certain Definitions. For the purposes of this Certificate of Designation, Preferences and Rights which embodies this resolution, unless the content otherwise requires, capitalized terms used and not otherwise defined in such Certificate of Designation, Preferences and Rights shall have the following meaning (with terms defined in the singular having comparable meanings when used in the plural):

"Additional Shares of Common Stock" shall mean all shares (including treasury shares) of Common Stock issued or sold (or, pursuant to Section 10(g), deemed to be issued or sold) by the Company after the Subscription Date, whether or not subsequently reacquired or retired by the Company, other than shares of Class A Common Stock issued upon conversion of the Series A Preferred Stock and Excluded Securities.

"Business Day" shall mean any day on which banks are open for business in Boca Raton, Florida (other than a Saturday or Sunday), provided that any reference to "days" (unless Business Days are specified) shall mean calendar days.

"Capital Stock" means the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, or any other series of Preferred Stock; Common Stock of any class, and any other class or series of capital stock or other equity securities of the Company, whether authorized as of or after the date hereof.

"Class A Common Stock" shall mean the Class A common stock, par value \$.01 per share, of the Company, and any stock into which such stock shall have been converted or changed or any stock resulting from any reclassification of such stock and all other stock of any class or classes (however designated) of the Company, the holders of which shall have the right, without limitation as to amount, either to all or to a share of the balance of current dividends and liquidating dividends after the payment of dividends and distributions on any shares entitled to preference.

"Class B Common Stock" shall mean the Class B common stock, par value \$.01 per share, of the Company, and any stock into which such stock shall have been converted or changed or any stock resulting from any reclassification of such stock and all other stock of any class or classes (however designated) of the Company, the holders of which shall have the right, without limitation as to amount, either to all or to a share of the balance of current dividends and liquidating dividends after the payment of dividends and distributions on any shares entitled to preference.

"Commission" shall mean the Securities and Exchange Commission or any successor federal agency having similar powers.

"Common Stock" means, collectively: (a) the Class A Common Stock; (b) the Class B Common Stock; and (c) any other class of common stock of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or similar reorganization.

"Company" shall mean HiConversion, Inc., a Florida corporation,

"Conversion Price" shall mean \$0.98 per share, subject to adjustment as herein provided.

"Conversion Shares" shall have the meaning set forth in Section 10(g).

"Convertible Security" shall mean, with respect to the Company, any evidence of indebtedness, shares of stock or other securities directly or indirectly convertible into or exchangeable for Common Stock or Preferred Stock, but excluding Options.

"Excluded Securities" means any stock issued or issuable: (i) in connection with any approved employee stock plan or with respect to any shares of Common Stock reserved as employee shares (or for officers or directors of the Company and its subsidiaries) as of the date

immediately preceding the Subscription Date; (ii) upon conversion, exercise or exchange of any Options or Convertible Securities which are outstanding on the day immediately preceding the Subscription Date, provided that the terms of such Options or Convertible Securities are not amended, modified or changed on or after the Subscription Date; (iii) shares of Class A Common Stock issued as a dividend or distribution on the Series A Preferred Stock, the Series B Preferred Stock, Series C Preferred Stock, or any other series of Preferred Stock for which the preemptive rights described in Section 8 were offered or waived; (iv) in connection with any merger, consolidation, acquisition, or similar business combination approved by the Board of Directors of the Company that is covered by Section 10(i); (v) any Capital Stock issued upon conversion of any of the Company's Unsecured Convertible 8% Notes or upon conversion of any Preferred Stock issued upon conversion of any of the Unsecured Convertible 8% Notes; or (vi) any other Capital Stock for which preemptive rights described in Section 8 were offered or waived and any other Capital Stock issued upon the conversion thereof.

"Fully Diluted Basis" means, as of any date of determination: (a) with respect to all Capital Stock, all issued and outstanding Capital Stock of the Company and all Capital Stock issuable upon the exercise or conversion of any outstanding Options or Convertible Securities as of such date, whether or not such Options or Convertible Securities are at the time exercisable or convertible; or (b) with respect to any specified type, class or series of Capital Stock, all issued and outstanding shares of Capital Stock designated as such type, class or series and all such designated shares of Capital Stock issuable upon the conversion or exercise of any outstanding Options and/or Convertible Securities as of such date, whether or not such Options or Convertible Securities are at the time exercisable or convertible.

"Holder" shall mean a holder of the Series A Preferred Stock.

"Liquidity Event" shall mean (a) the liquidation, dissolution or winding up of the Company, (b) the merger, consolidation or similar transaction of the Company with or into another entity (if after such merger the holders of a majority of the Company's voting securities immediately prior to the transaction do not hold a majority of the voting securities of the successor entity), or (c) the sale, license or lease of all or substantially all of the Company's assets.

"Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

"Other Securities" shall mean, when referring to the Company, any stock (other than Common Stock) and any other securities of the Company or any other Person (corporate or otherwise) which a Holder shall at any time be entitled to receive, or shall have received, upon conversion of Series A Preferred Stock, in lieu of or in addition to Class A Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities.

"Pre-emptive Pro Rata Portion" means, for purposes of Section 8, for any Holder as of any particular time, a fraction determined by dividing (a) the number of shares of Class A Common Stock, calculated on a Fully Diluted Basis, owned by such Holder immediately prior to such time by (b) the aggregate number of shares of Class A Common Stock, calculated on a Fully Diluted Basis, owned by all stockholders immediately prior to such time.

"Preferred Stock" means, collectively, (a) the Series A Preferred Stock; (b) the Series B Preferred Stock; (c) the Series C Preferred Stock, and (d) any other class of preferred stock of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or similar reorganization.

"Series A Conversion Date" shall have the meaning set forth in Section 10.

"Series A Preferred Stock" means the Series A preferred stock, par value \$0.01, of the Company.

"Series A Original Issue Price" shall mean \$0.98 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

"Subscription Date" shall mean November 23, 2010.

"Unsecured Convertible 8% Note" shall mean that certain Amended and Restated Unsecured Convertible Promissory Note, dated September 8, 2016, executed by the Company in favor of LB Merchant HC-3, LLC in the original principal amount of \$2,625,000 and that certain Unsecured Convertible Promissory Note, dated September 8, 2016, executed by the Company in favor of LB Merchant HC-4, LLC in the original principal amount of \$878,886.03.

3. Dividends and Distributions.

(a) Holders of shares of Series A Preferred Stock, in preference to the holders of shares of Class A Common Stock, and of any other capital stock of the Company ranking junior to the Series A Preferred Stock as to payment or dividends, shall be entitled to receive a cumulative annual dividend which shall accrue from and including November 17, 2010, payable December 31 of each year (each, a "Dividend Payment Date") at an annual rate of \$0.08085 per share, or 8.25% of Series A Original Issue Price (the "Accruing Dividends"). The Accruing Dividends shall accrue from day to day and be cumulative. Such Accruing Dividends shall be paid in accordance with the procedures set forth in Section 3(b).

(b) For the periods ended December 31, 2010 and 2011, the valuation of the Common Stock shall be fixed at \$0.98 per share. Thereafter, the Board of Directors shall determine annually, as and for each Dividend Payment Date, the fair market value of the Class A Common Stock (the "Common Stock Value") for purposes of paying the Accruing Dividends to the Holders. Such determination shall be made no later than January 30 of each calendar year as and for the prior year's Dividend Payment Date, and the Company shall notify each Holder of such Common Stock Value no later than ten (10) days after the Board of Directors' determination thereof. Each Holder shall have the right to advise the Company, within ten (10) days of the Company's notification of the Board of Directors' determination, whether such Holder elects to (i) receive its Accruing Dividends payable in cash at \$0.08085 per share of Series A Preferred Stock (a "Cash Payment") or (ii) require the Company to have the fair market value of the Class A Common Stock determined by an independent valuation firm (a "Valuation"). If the Holders of a majority of the then outstanding shares of Series A Preferred Stock do not timely elect to receive a Cash Payment or a Valuation, then the Company shall promptly pay the Accruing Dividends owed to the Holders

in shares of Class A Common Stock, such number of shares to be equal to (x) the aggregate amount of Accruing Dividends owed to such Holders, divided by (y) the Common Stock Value. If the Holders of a majority of the then outstanding shares of Series A Preferred Stock elect to receive a Cash Payment, the Company shall promptly upon receipt of such election make a Cash Payment to each Holder in the amount of the Accruing Dividends owed to such Holder. If the Holders of a majority of the then outstanding shares of Series A Preferred Stock elect to have a Valuation performed, then the Company and the Holders of a majority of the then outstanding shares of Series A Preferred Stock shall mutually select an independent valuation firm for such purposes and the cost of such valuation shall be shared equally by the Company and the Holders (pro rata based on the number of shares of Series A Preferred Stock held by such Holder). Following the independent valuation firm's determination of the fair market value of the Class A Common Stock (the "Adjusted Common Stock Value"), the Company shall promptly pay the Accruing Dividends owed to such Holders in shares of Class A Common Stock, such number of shares to be equal to (x) the aggregate amount of Accruing Dividends owed to such shareholder, divided by (y) the Adjusted Common Stock Value. For purposes of determining the fair market value of the Class A Common Stock pursuant to this Section 3(b), Class A Common Stock and Class B Common Stock shall have the same value.

4. Voting Rights. The Holders shall have the following voting rights:

(a) Number of Votes: Voting with Common Stock. Each Holder shall be entitled to one (1) vote for each share of Series A Preferred Stock held at the record date for the determination of stockholders entitled to vote at each meeting of stockholders of the Company (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Company for their action or consideration. Except as provided by law or by the provisions of Section 4(b) and Section 5, Holders shall vote together with the holders of Common Stock and the holders of any other authorized class of Common Stock as a single class.

(b) Adverse Effects. As long as fifty percent (50%) of the shares of Series A Preferred Stock issued on the Subscription Date are outstanding, the Company shall not without the written consent or affirmative vote of at least sixty percent (60%) of the holders of Series A Preferred Stock given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, (i) amend, alter or repeal the preferences, rights, powers or other terms of the Series A Preferred Stock so as to affect adversely the Series A Preferred Stock or the Holders; (ii) authorize any change in the number of authorized shares of Series A Preferred Stock; (iii) authorize or issue any security series of preferred stock which is on a parity with or has preference or priority over the Series A Preferred Stock; (iv) approve any Liquidity Event; (v) repurchase any shares of Common Stock; or (vi) declare and/or pay any dividend or distribution on any shares of Common Stock.

5. Board Representation. The Holders shall have the right to appoint one (1) of five (5) directors of the Board of Directors of the Company. The Company shall indemnify the appointee of the holders to the fullest extent allowable under the laws of the State of Florida.

6. Right of First Refusal. The Company shall require any holder of any class of Common Stock of the Company or its subsidiaries to grant a right of first refusal to the Company

and the Holders; provided, however, that the Company shall only have a best efforts obligation to obtain a right of first refusal from any record owner as of the Subscription Date. Such right of first refusal shall provide that no shareholder shall transfer any shares of any class of stock of the Company to any person, other than a family member or to a trust or other instrument established for the purposes of estate planning, without providing, first, the Company, and, thereafter, to the extent that the Company does not exercise in its entirety any right of first refusal it may have under this Section 6, the Holders, the right to purchase shares of the Company's stock of any class on the same basis as any third-party offer made for such stock or, in the absence of an offer, the fair market value of such stock, as determined by a nationally recognized accounting firm. Each Holder timely electing to participate in the right of first refusal pursuant to this Section 6 shall have the right to elect to purchase up to a number of shares of Common Stock equal to the product of (i) the aggregate number of shares of Common Stock proposed to be sold and (ii) a fraction determined by dividing (A) the number of shares of Common Stock, calculated on a Fully Diluted Basis, owned by such Holder immediately prior to such time by (B) the sum of (x) the aggregate number of shares of Class A Common Stock, calculated on a Fully Diluted Basis, owned by all holders of Series A Preferred Stock participating in such right first refusal purchase immediately prior to such time plus (y) the aggregate number of shares of Class A Common Stock, calculated on a Fully Diluted Basis, owned by all Holders participating in such right first refusal purchase immediately prior to such time. The failure of a Holder to purchase shares in such a proposed transfer shall not affect its rights with respect to any future proposed transfers by any shareholder.

7. Tag-Along Rights.

(a) If any holder of Common Stock (the "Selling Stockholder") holding more than thirty percent (30%) of the Company's issued and outstanding Common Stock, calculated on a Fully Diluted Basis, desires to sell any of its shares of Common Stock in one or a series of transactions, then each Holder (each, a "Series A Tag-along Stockholder") shall have the right to participate in such transaction or series of transactions (a "Tag Along Sale") on the terms and conditions set forth in this Section 7.

(b) The Selling Stockholder shall deliver to the Company and each Series A Tag-along Stockholder a written notice (a "Tag-along Notice") of the proposed Tag-along Sale within 15 Business Days prior to the consummation of any Tag-along Sale. The Tag-along Notice shall make reference to the Series A Tag-along Stockholders' rights hereunder and shall describe in reasonable detail: (i) the identity of the prospective transferee(s); (ii) the proposed date, time and location of the closing of the Tag-along Sale, which shall not be less than 30 days from the date of the Tag-along Notice; (iii) the purchase price per share for the shares of Common Stock being sold in the Tag-along Sale (which shall be payable solely in cash) and the other material terms and conditions of the transfer; and (iv) a copy of any form of agreement proposed to be executed in connection therewith.

(c) Each Series A Tag-along Stockholder may exercise its right to participate in the Tag-along Sale on the terms described in the Tag-along Notice by delivering to the Selling Stockholder a written notice (a "Tag-along Exercise Notice") stating its election to do so no later than 10 Business Days after receipt of the Tag-along Notice (the "Tag-along Exercise Period"). If one or more Series A Tag-along Stockholders elects pursuant to a Tag-along Exercise Notice and this Section 7 to participate in the Tag-along Sale, then (i) each Series A Tag-along Stockholder

making such an election will be given an opportunity to convert such Series A Tag-along Stockholder's shares of Series A Preferred Stock into Class A Common Stock in accordance with Section 10 prior to the consummation of the Tag-along Sale and participate in such sale as holders of shares of Common Stock and (ii) the number of shares of Common Stock that the Selling Stockholder may sell in the Tag-along Sale shall be correspondingly reduced in accordance with Section 7(d).

(d) The Selling Stockholder and each Series A Tag-along Stockholder timely electing to participate in the Tag-along Sale pursuant to Section 7(c) shall have the right to sell in the Tag-along Sale the number of shares of Class A Common Stock equal to the product of (i) the aggregate number of shares of Common Stock set out in the applicable Tag-along Notice and (ii) a fraction determined by dividing (A) the number of shares of Class A Common Stock, calculated on a Fully Diluted Basis, owned by such stockholder immediately prior to such time by (B) the aggregate number of shares of Class A Common Stock, calculated on a Fully Diluted Basis, owned by the Selling Stockholder, all of the Series A Tag-along Stockholders and all of the Series A Tag-along Stockholders timely electing to participate in the applicable Tag-along Sale. Any Series A Tag-along Stockholder may elect to sell in the Tag-along Sale less than the number of shares of Class A Common Stock calculated pursuant to this Section 7(d), in which case the Selling Stockholder shall have the right to sell the applicable shares of Common Stock not elected to be sold by a Series A Tag-along Stockholder.

(e) Each Series A Tag-along Stockholder shall execute the applicable purchase agreement, if any, and shall make or provide the same representations, warranties, covenants and indemnities as the Selling Stockholder makes or provides in connection with the Tag-along Sale; provided, that each Series A Tag-along Stockholder shall only be obligated to make representations and warranties that relate specifically to a Series A Stockholder (as opposed to the Company and its business) with respect to the Series A Tag-along Stockholder's title to and ownership of the shares of Class A Common Stock, authorization, execution and delivery of relevant documents, enforceability of such documents against the Series A Tag-along Stockholder, and other similar representations and warranties made by the Selling Stockholder, and shall not be obligated to make any of the foregoing representations and warranties with respect to any other stockholder or their shares of Common Stock; provided, further, that all indemnities and other obligations shall be made by the Selling Stockholder and each Series A Tag-along Stockholder severally and not jointly and severally (i) with respect to breaches of representations, warranties and covenants made by the Selling Stockholder and the Series A Tag-along Stockholders relating to the Company and its business, if any, pro rata based on the aggregate consideration received by the Selling Stockholder and each Series A Tag-along Stockholder in the Tag-along Sale, and (B) in an amount not to exceed for the Selling Stockholder or any Series A Tag-along Stockholder, the net proceeds received by the Selling Stockholder and each such Series A Tag-along Stockholder in connection with the Tag-along Sale, as applicable, plus the amount of any consideration forfeited by the Selling Stockholder or such Series A Tag-along Stockholder, as applicable, to which it is entitled but has not yet received (including, without limitation, as a result of an escrow agreement, earn-out or similar arrangement). Each Series A Tag-along Stockholder will also take all actions as may be reasonably necessary to consummate the Tag-along Sale, including, without limitation, entering into agreements and delivering certificates and instruments (including stock certificates evidencing the shares of Class A Common Stock, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank), in each

case, consistent with the agreements being entered into and the certificates and instruments being delivered by the Selling Stockholder.

(f) Subject to the requirements and conditions of this Section 7, the Selling Stockholder will have 60 days following the expiration of the Tag-along Exercise Period in which to consummate the Tag-along Sale, on terms not more favorable to the Selling Stockholder than those set forth in the Tag-along Exercise Notice. If at the end of such period the Selling Stockholder has not completed the Tag-along Sale, the Selling Stockholder may not then effect a sale that is subject to this Section 7 without again fully complying with the provisions of this Section 7.

(g) If the Selling Stockholder sells any shares of its Common Stock (or Options or Convertible Securities) in breach of this Section 7, then each Series A Tag-along Stockholder shall have the right to sell to the Selling Stockholder, and the Selling Stockholder undertakes to purchase from each Series A Tag-along Stockholder, the number of shares of Common Stock that such Series A Tag-along Stockholder would have had the right to sell to the prospective transferee pursuant to this Section 7, for a per share amount and form of consideration and upon the terms and conditions on which the prospective transferee bought such shares from the Selling Stockholder, but without indemnity being granted by any Series A Tag-along Stockholder to the Selling Stockholder; provided, that nothing contained in this Section 7(g) shall preclude any stockholder from seeking alternative remedies against such Selling Stockholder as a result of its breach of this Section 7.

8. Pre-Emptive Right.

(a) As long as fifty percent (50%) of the shares of Series A Preferred Stock issued on the Subscription Date remain outstanding, the Company hereby grants to each Holder (a "Pre-emptive Stockholder") a separate right to purchase its Pre-emptive Pro Rata Portion (subject to its over-allotment option in Section 8(d) below) of any security that the Company may from time to time propose to issue or sell to any party (which shall include shares of Series A Preferred Stock proposed to be issued or sold after the Subscription Date); provided, that the provisions of this Section 8 shall not apply to any Excluded Securities.

(b) The Company will give written notice (an "Issuance Notice") of any proposed issuance or sale of securities described in Section 8(a) to the Pre-emptive Stockholders within 5 Business Days following any meeting of the Board of Directors at which any such issuance or sale is approved. The Issuance Notice shall, if applicable, be accompanied by a written offer from any prospective purchaser seeking to purchase the applicable securities (a "Prospective Purchaser") and shall set forth the material terms and conditions of the proposed issuance or sale, including: (i) the number and description of securities proposed to be issued; (ii) the proposed issuance date, which shall be at least 30 days from the date of the Issuance Notice; and (iii) the proposed purchase price per share of new securities and all other material terms of the offer or sale. The Issuance Notice shall also be accompanied by a current copy of a capitalization table or other stockholders ledger of the Company indicating the Pre-emptive Stockholders' holdings of capital stock of the Company in a manner that enables each Pre-emptive Stockholder to calculate its Pre-emptive Pro Rata Portion of any new securities.

(c) Each Pre-emptive Stockholder shall for a period of 10 Business Days following the receipt of an Issuance Notice (the "Pre-emptive Exercise Period") have the right to elect irrevocably to purchase all or any portion of its Pre-emptive Pro Rata Portion of any new securities on the terms and conditions, including the purchase price, set forth in the Issuance Notice by delivering a written notice to the Company (a "Pre-emptive Acceptance Notice") specifying the number of new securities it desires to purchase up to its Pre-emptive Pro Rata Portion. The failure of a Pre-emptive Stockholder to deliver a Pre-emptive Acceptance Notice by the end of the Pre-emptive Exercise Period shall constitute a waiver of its rights under this Section 8 with respect to the purchase of such new securities, but shall not affect its rights with respect to any future issuances or sales of new securities.

(d) No later than 5 Business Days following the expiration of the Pre-emptive Exercise Period, the Company shall give written notice (the "Over-allotment Notice") to each Pre-emptive Stockholder specifying the number of new securities that each Pre-emptive Stockholder has agreed to purchase (including, for the avoidance of doubt, where such number is zero) and the aggregate number of remaining new securities, if any, not elected to be purchased by the Pre-emptive Stockholders pursuant to Section 8(c) (the "Remaining New Securities"). Each Pre-emptive Stockholder exercising its rights to purchase its Pre-emptive Pro Rata Portion of the new securities in full (a "Fully Exercising Pre-emptive Stockholder") shall have a right of over-allotment such that if there are any Remaining New Securities, such Fully Exercising Pre-emptive Stockholder may purchase all or any portion of its pro rata portion of the Remaining New Securities, based on the relative Pre-emptive Pro Rata Portions of all Fully Exercising Pre-emptive Stockholders. Each Fully Exercising Pre-emptive Stockholder shall elect to purchase its allotment of Remaining New Securities by giving written notice to the Company specifying the number of Remaining New Securities it desires to purchase within 5 Business Days of receipt of the Over-allotment Notice (the "Over-allotment Exercise Period").

(e) Following the expiration of the Pre-emptive Exercise Period and, if applicable, the Over-allotment Exercise Period, the Company shall be free to complete the proposed issuance or sale of new securities described in the Issuance Notice with respect to which Pre-emptive Stockholders declined to exercise the pre-emptive right set forth in this Section 8 on terms no less favorable to the Company than those set forth in the Issuance Notice (except that the amount of new securities to be issued or sold by the Company may be reduced); provided, that: (i) such issuance or sale is closed within 30 days after the expiration of the Pre-emptive Exercise Period and, if applicable, the Over-allotment Exercise Period; and (ii) for the avoidance of doubt, the price at which the new securities are sold to the Prospective Purchaser is at least equal to or higher than the purchase price described in the Issuance Notice. If the Company has not sold the new securities within such time period, the Company shall not thereafter issue or sell any new securities without first again offering such securities to the Pre-emptive Stockholders in accordance with the procedures set forth in this Section 8.

(f) The closing of any purchase by any Pre-emptive Stockholder shall be consummated concurrently with the consummation of the issuance or sale described in the Issuance Notice. Upon the issuance or sale of any new securities in accordance with this Section 8, the Company shall deliver the new securities in certificated form, free and clear of any liens (other than those arising hereunder and those attributable to the actions of the purchasers thereof), and the Company shall so represent and warrant to the purchasers thereof, and further represent

and warrant to such purchasers that such New Securities shall be, upon issuance thereof to such purchasers and after payment therefor, duly authorized, validly issued, fully paid and non-assessable. Each Pre-emptive Stockholder shall deliver to the Company the purchase price for the new securities purchased by it by certified or bank check or wire transfer of immediately available funds. Each party to the purchase and sale of new securities shall take all such other actions as may be reasonably necessary to consummate the purchase and sale including, without limitation, entering into such additional agreements as may be necessary or appropriate.

9. Prohibition on Payment of Dividends in Respect of Other Capital Stock. Whenever dividends payable on shares of Series A Preferred Stock as provided in Section 3 hereof are in arrears, thereafter and until all accrued and unpaid dividends, whether or not declared, have been paid in full, the Company shall not (i) declare or pay dividends, or make any other distributions, on any shares of capital stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock or (ii) declare or pay dividends, or make any other distributions, on any shares of capital stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all capital stock ranking on a parity with the Series A Preferred Stock and on which dividends are payable or in arrears, in proportion to the total amounts to which the holders of all such shares are then entitled.

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

(a) Conversion Right. Each share of Series A Preferred Stock may, at the option of the Holder, be converted at any time and from time to time into such number of fully paid and nonassessable shares of Class A Common Stock as is determined by dividing the Series A Original Issue Price by the Conversion Price in effect at the time of the conversion. The Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Class A Common Stock, shall be subject to adjustment as provided below.

(b) Exercise of Conversion Privilege. To exercise its privilege, each Holder of Series A Preferred Stock shall surrender the certificate or certificates representing the shares being converted to the Company at its principal office, and shall give written notice to the Company at that office that such Holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Class A Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Series A Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Company or in blank. The date when such written notice is received by the Company, together with the certificate or certificates representing the shares of Series A Preferred Stock being converted, shall be the "Series A Conversion Date." As promptly as practicable after the Series A Conversion Date, the Company shall (i) issue and deliver to the holder of the shares of Series A Preferred Stock being converted a certificate or certificates as it may request for the number of whole shares of Class A Common Stock issuable upon the conversion of such shares of Series A Preferred Stock in accordance with the provisions of this Section 10, (ii) pay in cash such amount as provided in Section 10(c), and (iii) pay in cash the amount of all unpaid dividends due but not paid under Section 3 (whether or not declared) on such

shares of Series A Preferred Stock up to and including the Series A Conversion Date. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Series A Conversion Date, and at such time the rights of the holder as holder of the converted shares of Series A Preferred Stock shall cease and the person or persons in whose name or names any certificate or certificates for shares of Class A Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Class A Common Stock represented thereby.

(c) Cash in Lieu of Fractional Shares. No fractional shares of Class A Common Stock or scrip representing fractional shares shall be issued upon the conversion of shares of Series A Preferred Stock (provided, nonetheless, that fractional shares shall be payable as a dividend to holders of Series A Preferred Stock), but the Company shall pay to the holders of such shares a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Class A Common Stock (as determined in a reasonable manner prescribed by the board of directors) at the close of business on the Series A Conversion Date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series A Preferred Stock being converted at any one time by any holder thereof, not upon each share of Series A Preferred Stock being converted.

(d) Partial Conversion. In the event some but not all of the shares of Series A Preferred Stock represented by a certificate or certificates surrendered by a Holder are converted, the Company shall execute and deliver to or on the order of the Holder, at the expense of the Company, a new certificate representing the shares of Series A Preferred Stock that were not converted.

(e) Reservation of Class A Common Stock. The Company shall reserve, solely for the purpose of effecting the conversion of the shares of Series A Preferred Stock, such number of its shares of Class A Common Stock as shall from time-to-time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock.

(f) Termination of Rights on Conversion. All shares of Series A Preferred Stock surrendered for conversion as herein provided shall no longer be deemed to be outstanding, and all rights with respect to such shares, including the rights, if any, to receive dividends, notices and to vote, shall immediately cease and terminate on the Conversion Date, except only the right of the holders thereof to receive shares of Class A Common Stock and cash in lieu of fractional shares in exchange therefore, and also the right of the holders to receive dividends due but not paid (whether or not declared) under Section 3. Any shares of Series A Preferred Stock so converted shall be retired and canceled and shall not be reissued, and the Company may from time-to-time take such appropriate action as may be necessary to reduce the number of shares of authorized Series A Preferred Stock accordingly.

(g) Adjustment Upon Issuance of Shares of Common Stock. If and whenever the Company issues or sells, or in accordance with this Section 10 is deemed to have issued or sold, any Additional Shares of Common Stock without consideration or for a consideration per share less than the Conversion Price in effect immediately prior to such issue (the foregoing a "Dilutive Issuance"), then immediately after such Dilutive Issuance, the Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-thousandth of a

cent) equal to the product of (A) the Conversion Price in effect immediately prior to such Dilutive Issuance and (B) the quotient determined by dividing (1) the sum of (I) the product derived by multiplying the Conversion Price in effect immediately prior to such Dilutive Issuance by the number of shares of Common Stock outstanding (calculated on a Fully Diluted Basis) immediately prior to such Dilutive Issuance plus (II) the consideration, if any, received by the Company upon such Dilutive Issuance, by (2) the product derived by multiplying (I) the Conversion Price in effect immediately prior to such Dilutive Issuance by (II) the number of shares of Common Stock deemed outstanding immediately after such Dilutive Issuance.

(1) If the Company at any time or from time to time after the Subscription Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Excluded Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(2) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price pursuant to the terms of Section 10(g), are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (x) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (y) any increase or decrease in the consideration payable to the Company upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to Section 10(g) shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(3) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Excluded Securities), the issuance of which did not result in an adjustment to the Conversion Price pursuant to the terms of Section 10(g) (either because the consideration per share of the Additional Shares of Common Stock

subject thereto was equal to or greater than the Conversion Price then in effect, or because such Option or Convertible Security was issued before the Subscription Date), are revised after the Subscription Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (x) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (y) any decrease in the consideration payable to the Company upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(4) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Section 10(g), the Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(5) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price provided for in Section 10(g) shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (2) and (3) of Section 10(g)). If the number of shares of Common Stock Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price that would result under the terms of Section 10(g) at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

(6) For purposes of Section 10(g), the consideration received by the Company for the issue of any Additional Shares of Common Stock shall be computed as follows:

(i) Such consideration shall: (A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company, excluding amounts paid or payable for accrued interest; (B) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined by the Board of Directors; and (C) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion

of such consideration so received, computed as provided in clauses (A) and (B) above, as determined by the Board of Directors.

(ii) The consideration per share received by the Company for Additional Shares of Common Stock deemed to have been issued pursuant to this Section 10(g), relating to Options and Convertible Securities, shall be determined by dividing (x) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by (y) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

(7) If the Company issues on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price pursuant to the terms of Section 10(g), then, upon the final such issuance, the Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

(h) Adjustment for Stock Splits and Combinations. If the Company shall at any time or from time to time effect a subdivision of the outstanding Class A Common Stock, the Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Class A Common Stock issuable on conversion of each share of Series A Preferred Stock shall be increased in proportion to such increase in the aggregate number of shares of Class A Common Stock outstanding. If the Company shall at any time or from time to time combine the outstanding shares of Class A Common Stock, the Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Class A Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Class A Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

(i) Adjustment for Merger, Reorganization, etc. In case of any consolidation, reorganization, recapitalization, reclassification, merger or share exchange involving the Company in which the Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (which the Holders shall have consented to in accordance with Section 4 hereof), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Stock shall thereafter be convertible into the kind and amount of shares of stock or other securities or property to which a holder of the number of shares of Class A Common Stock of the Company deliverable upon conversion of such

Series A Preferred Stock would have been entitled upon such reorganization, recapitalization, reclassification, consolidation or merger; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in this Section 10 set forth with respect to the rights and interests thereafter of the Holders, to the end that the provisions set forth in this Section 10 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

(j) Adjustment for Certain Dividends and Distributions. If the Company at any time or from time to time after the Subscription Date shall make or issue, or fix a record date for the determination of holders of Class A Common Stock entitled to receive, a dividend or other distribution payable on the Class A Common Stock in additional shares of Common Stock, then and in each such event the Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction: (x) the numerator of which shall be the total number of shares of Class A Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (y) the denominator of which shall be the total number of shares of Class A 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 Class A Common Stock issuable in payment of such dividend or distribution. Notwithstanding the foregoing, (1) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the Holders simultaneously receive a dividend or other distribution of shares of Class A Common Stock in a number equal to the number of shares of Class A Common Stock as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Class A Common Stock on the date of such event.

(k) Adjustments for Other Dividends and Distributions. If the Company at any time or from time to time after the Subscription Date shall make or issue, or fix a record date for the determination of holders of Class A Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company (other than a distribution of shares of Common Stock in respect of outstanding shares of Class A Common Stock) or in other property and the provisions of Section 3 do not apply to such dividend or distribution, then and in each such event the Holders shall receive, simultaneously with the distribution to the holders of Class A Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Class A Common Stock on the date of such event.

(l) No Impairment. The Company will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, share exchange, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder

by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 10 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the Holders against impairment.

(m) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Rate pursuant to this Section 10, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each Holder a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment or readjustment is based and shall file a copy of such certificate with its corporate records. The Company shall, upon the written request at any time of any Holder, furnish or cause to be furnished to such holder a similar certificate setting forth (1) such adjustments and readjustments, (2) the Conversion Rate then in effect, and (3) the number of shares of Class A Common Stock and the amount, if any, of other property which then would be received upon the conversion of Series A Preferred Stock. Despite such adjustment or readjustment, the form of each or all stock certificate(s) representing Series A Preferred Stock, if the same shall reflect the initial or any subsequent Conversion Rate, need not be changed in order for the adjustments or readjustments to be valued in accordance with the provisions of this Certificate of Designation, Preferences and Rights which shall control.

(n) Notice to Shareholders. If:

(1) the Company shall declare a dividend (or any other distribution) on its Class A Common Stock; or

(2) the Company shall declare a special nonrecurring cash dividend or a redemption of its Class A Common Stock; or

(3) the Company shall authorize the granting to all holders of the Class A Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; or

(4) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Class A Common Stock of the Company (other than a subdivision or combination of the outstanding shares of Class A Common Stock), any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Class A Common Stock is converted into other securities, cash or property; or

(5) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding-up of the affairs of the Company;

then the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of Series A Preferred Stock, and shall cause to be mailed to the Holders at their last address as they shall appear upon the stock books of the Company, at least thirty (30) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of Class A Common Stock of record to be entitled to such dividend, distributions, redemption, rights or

warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up is expected to become effective, and the date as of which it is expected that holders of Class A Common Stock of record shall be entitled to exchange their shares of Class A Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up; provided, however, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice.

(o) Curative Provision. If at any time conditions shall arise by reason of action taken by the Company which in the opinion of the Board of Directors are not adequately covered by the other provisions hereof and which might materially and adversely affect the rights of the Holders (different than or distinguished from the effect generally on rights of holders of any class of the Company's capital stock) or if at any time any such conditions are expected to arise by reason of any action contemplated by the Company, the Company shall mail a written notice briefly describing the action contemplated and the material adverse effects of such action on the rights of the Holders at least thirty (30) calendar days prior to the effective date of such action, and an appraiser selected by the Holders of a majority in interest of the Series A Preferred Stock shall give its opinion as to the adjustment, if any (not inconsistent with the standards established in this Section 10) of the Conversion Rate (including, if necessary, any adjustment as to the securities into which shares of Series A Preferred Stock may thereafter be convertible) and any distribution which is or would be required to preserve without diluting the rights of the Holders; provided, however, that the Company, after receipt of the determination by such appraiser, shall have the right to select an additional appraiser, in which case the adjustment shall be equal to the average of the adjustments recommended by each such appraiser. The Board of Directors shall make the adjustment recommended forthwith upon the receipt of such opinion or opinions or the taking of any such action contemplated, as the case may be.

(p) Issuance Taxes. The issuance of certificates for shares of Class A Common Stock on any conversion of 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 of any such certificate upon conversion in a name other than that of the Holder of such shares of Series A Preferred Stock so converted and the Company shall not be required to issue or deliver such certificates 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.

(q) Conversion Notices. Each Holder's conversion notice shall be given by facsimile and by mail, postage prepaid, addressed to the attention of the Chief Financial Officer of the Company at the facsimile telephone number and address of the principal place of business of the Company. Any such notice shall be deemed given and effective upon the earliest to occur of (i) if such conversion notice is delivered via facsimile prior to 4:30 P.M. (Boca Raton, Florida Time) to the Company's facsimile number, (ii) five days after deposit in the United States mail, or (iii) upon actual receipt by the party to whom such notice is required to be given.

(r) Prohibition of Certain Actions. The Company will not, by amendment of its articles of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 10 and in the taking of all such action as may reasonably be requested by the Holder in order to protect the conversion privilege of such Holder against dilution or other impairment, consistent with the tenor and purpose of this Section 10. Without limiting the generality of the foregoing, the Company (A) will not increase the par value of any shares of any series of Common Stock receivable above the par value of the Series A Preferred Stock then in effect, (B) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Class A Common Stock upon the conversion of all Series A Preferred Stock from time to time outstanding, (C) will not take any action which results in any adjustment of the Conversion Rate if the total number of shares of Class A Common Stock or Other Securities issuable after the action upon the conversion of all shares of Series A Preferred Stock would exceed the total number of shares of Class A Common Stock or Other Securities then authorized by the Company's articles of incorporation and available for the purpose of issue upon such conversion, and (D) will not issue any capital stock of any class which has the right to more than one vote per share or any capital stock of any class which is preferred as to dividends.

11. Redemption. Beginning on or after the five year anniversary of the Subscription Date, the Holders of sixty percent (60%) of the Series A Preferred Stock may elect to require the Company to redeem all (but not less than all) of their Series A Preferred Stock at the greater of: (i) 1.5 times the sum of (x) the Series A Original Issue Price plus (y) all accrued and unpaid dividends; and (ii) the fair market value of such shares, as determined by a nationally recognized accounting firm.

Any shares of Series A Preferred Stock that shall at any times have been redeemed, shall, after redemption, be cancelled and not reissued. In case fewer than all of the shares represented by such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the Holder thereof.

12. Ranking. As long as any shares of the Series A Preferred Stock remain outstanding, the Company shall not, without obtaining the prior written consent of the Holders of at least a majority of the shares of the Series A Preferred Stock then outstanding, create, authorize or issue any other class or series of capital stock of the Company, the terms of which provide that such class or series shall rank prior to the Series A Preferred Stock in respect to rights upon dissolution, liquidation or winding up of the Company, provided, however, the Company may at any time create, authorize or issue, without the consent of any of the Holders, other classes or series of capital stock which rank junior to the Series A Preferred Stock in respect to dissolution, liquidation or winding up of the Company.

13. Liquidity Event. In the event of an occurrence of a Liquidity Event, the Company will pay the Holder the greater of: (i) 1.5 times the sum of (x) the Series A Original Issue Price plus (y) any accumulated and unpaid dividends on the Series A Preferred Stock upon the closing

of such Liquidity Event; and (ii) the amount calculated on the basis that the payment on the occurrence of a Liquidity Event is distributed pro rata among the Holders on an as-converted basis.

14. Miscellaneous Provisions.

(a) Issue Tax. The issuance of certificates for shares of the Class A Common Stock upon conversion of any shares of Series A Preferred Stock shall be made without charge to the Holder thereof for any issuance tax in respect thereto.

(b) Closing of Books. The Company will at no time close its transfer books against the transfer of any shares of Series A Preferred Stock or of any share of the Class A Common Stock issued or issuable upon the conversion of Series A Preferred Stock in any manner which interferes with the timely conversion of such Series A Preferred Stock.

(c) Headings of Subdivisions. The headings of the various Sections and other subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof

(d) Severability of Provisions. If any voting powers, preferences and relative, participating, optional and other special rights of the Series A Preferred Stock and qualifications, limitations and restrictions thereon set forth in this Certificate of Designation is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other powers, preferences and relative, participating, optional and other special rights of Series A Preferred Stock and qualifications, limitations and restrictions thereon set forth therein which can be given effect without the invalid, unlawful or unenforceable voting powers, preferences and relative, participating, optional and other special rights of Series A Preferred Stock and qualifications, limitations and restrictions thereon shall, nevertheless, remain in full force and effect, and no voting powers, preferences and relative, participating, optional or other special rights of Series A Preferred Stock and qualifications, limitations and restrictions thereon herein set forth shall be deemed dependent upon any other such voting powers, preferences and relative, participating, optional or other special rights of Series A Preferred Stock and qualifications, limitations and restrictions thereon unless so expressed herein.

THIRD: The date of the amendment's adoption was September 7, 2016.

FOURTH: The voting groups entitled to vote on the amendment include the holders of the Company's Class A Common Stock, Series A Preferred Stock, and Series B Preferred Stock. The number of votes cast for the amendment by the holders of the Company's Class A Common Stock, Series A Preferred Stock, and Series B Preferred Stock was sufficient for approval by the foregoing voting groups. The amendment was adopted by the Board of Directors with the requisite consent and approval of the holders of the Company's Class A Common Stock, Series A Preferred Stock, and Series B Preferred Stock. The holders of the Company's Class A Common Stock and Series A Preferred Stock also ratified and approved (i) Articles of Amendment to Articles of Incorporation of HiConversion, Inc. - Amended Certificate of Designation of Series A Preferred Stock filed with the Florida Secretary of State on November 22, 2010; (ii) the Articles of Amendment to Articles of Incorporation of HiConversion, Inc. - Amended and Restated Certificate of Designation of Series A Preferred Stock filed with the Florida Secretary of State on May 23,

2012; (iii) the Articles of Amendment to Articles of Incorporation of HiConversion, Inc. - Certificate of Designation of Series A Preferred Stock filed with the Florida Secretary of State on August 7, 2012; and (iv) the Articles of Amendment to Articles of Incorporation of HiConversion, Inc. - Certificate of Designation of Series B Preferred Stock filed with the Florida Secretary of State on February 3, 2014; and (v) the Articles of Amendment to Articles of Incorporation of HiConversion, Inc. - Certificate of Designation of Series C Preferred Stock filed with the Florida Secretary of State on September 9, 2016.

[Remainder of Page Left Blank - Signature Page Follows]

IN WITNESS WHEREOF, these Articles of Amendment to Articles of Incorporation of HiConversion, Inc., Amended and Restated Certificate of Designation of Series A Preferred Stock have been duly executed by a duly authorized officer of this Corporation.

Dated: September 8, 2016


Zijad Aganovic, President