

PO 7000015242

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2012 OCT 18 AM 9:02
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

*AKR
10/22/12*

October 17, 2012

Annette Ramsey
Amendment Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, FL 32301

Subj: Amendment to the Articles of Incorporation of TexStar Holdings, Inc, (P07000015242)

Dear Annette:

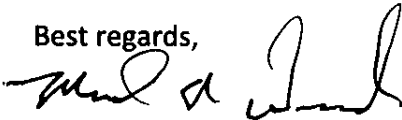
Since you had me FEDEX the corrected Articles of Merger to you back in September when we completed the merger with TexStar Energy Corp., I thought it would help to expedite things by FEDEXing this amendment to you as well.

I am forwarding to you the approved Certificates of Designation of Preferences, Rights and Limitations of the company's Series A and Series B Preferred shares. I have also enclosed a check for \$43.75 for the processing fees and Certificate of Status.

If you have any questions, or require additional information, please feel free to contact me via phone at (561) 866-4357 or via email at mwood@pehgroup.com.

Thank you for your assistance.

Best regards,



Mark A. Wood,
Secretary and Director
TexStar Holdings, Inc.
249 NW 15th Street
Boca Raton, FL 33432-1515

RECEIVED

12 OCT 18 PM 12:04

CLERK OF SUPERIOR COURT
JANICE L. BROWN
TALLAHASSEE, FL 32301

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: TexStar Holdings, Inc.

DOCUMENT NUMBER: P07000015242

The enclosed *Articles of Amendment* and fee are submitted for filing.

Please return all correspondence concerning this matter to the following:

Mark A. Wood

Name of Contact Person

TexStar Holdings, Inc.

Firm/ Company

249 NW 15th Street

Address

Boca Raton, FL 33432-1515

City/ State and Zip Code

markalanwood@att.net

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

For further information concerning this matter, please call:

Mark A. Wood

Name of Contact Person

at (561) 866-4357

Area Code & Daytime Telephone Number

Enclosed is a check for the following amount made payable to the Florida Department of State:

☐ \$35 Filing Fee

☒ \$43.75 Filing Fee &
Certificate of Status

☐ \$43.75 Filing Fee &
Certified Copy
(Additional copy is
enclosed)

☐ \$52.50 Filing Fee
Certificate of Status
Certified Copy
(Additional Copy
is enclosed)

Mailing Address

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

Street Address

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

Articles of Amendment
to
Articles of Incorporation
of

TexStar Holdings, Inc.

(Name of Corporation as currently filed with the Florida Dept. of State)

P07000015242

(Document Number of Corporation (if known))

FILED

2012 OCT 18 AM 9:02

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of section 607.1006, Florida Statutes, this **Florida Profit Corporation** adopts the following amendment(s) to its Articles of Incorporation:

A. If amending name, enter the new name of the corporation:

N/A

The new name must be distinguishable and contain the word "corporation," "company," or "incorporated" or the abbreviation "Corp.," "Inc.," or Co.," or the designation "Corp.," "Inc.," or "Co.". A professional corporation name must contain the word "chartered," "professional association," or the abbreviation "P.A."

B. Enter new principal office address, if applicable:
(Principal office address **MUST BE A STREET ADDRESS**)

N/A

C. Enter new mailing address, if applicable:
(Mailing address **MAY BE A POST OFFICE BOX**)

N/A

D. If amending the registered agent and/or registered office address in Florida, enter the name of the new registered agent and/or the new registered office address:

Name of New Registered Agent N/A

(Florida street address)

New Registered Office Address: _____, Florida _____
(City) (Zip Code)

New Registered Agent's Signature, if changing Registered Agent:

I hereby accept the appointment as registered agent. I am familiar with and accept the obligations of the position.

Signature of New Registered Agent, if changing

If amending the Officers and/or Directors, enter the title and name of each officer/director being removed and title, name, and address of each Officer and/or Director being added:

(Attach additional sheets, if necessary)

Please note the officer/director title by the first letter of the office title:

P = President; V= Vice President; T= Treasurer; S= Secretary; D= Director; TR= Trustee; C = Chairman or Clerk; CEO = Chief Executive Officer; CFO = Chief Financial Officer. If an officer/director holds more than one title, list the first letter of each office held. President, Treasurer, Director would be PTD.

Changes should be noted in the following manner. Currently John Doe is listed as the PST and Mike Jones is listed as the V. There is a change, Mike Jones leaves the corporation, Sally Smith is named the V and S. These should be noted as John Doe, PT as a Change, Mike Jones, V as Remove, and Sally Smith, SV as an Add.

Example:

X Change PT John Doe

X Remove V Mike Jones

X Add SV Sally Smith

Type of Action
(Check One)

Title

Name

Address

1) <input type="checkbox"/> Change	_____	N/A	_____
<input type="checkbox"/> Add			_____
<input type="checkbox"/> Remove			_____
2) <input type="checkbox"/> Change	_____		_____
<input type="checkbox"/> Add			_____
<input type="checkbox"/> Remove			_____
3) <input type="checkbox"/> Change	_____		_____
<input type="checkbox"/> Add			_____
<input type="checkbox"/> Remove			_____
4) <input type="checkbox"/> Change	_____		_____
<input type="checkbox"/> Add			_____
<input type="checkbox"/> Remove			_____
5) <input type="checkbox"/> Change	_____		_____
<input type="checkbox"/> Add			_____
<input type="checkbox"/> Remove			_____
6) <input type="checkbox"/> Change	_____		_____
<input type="checkbox"/> Add			_____
<input type="checkbox"/> Remove			_____

E. If amending or adding additional Articles, enter change(s) here:

(Attach additional sheets, if necessary). (Be specific)

Please see attached Certificates of Designation of Preferences, Rights and Limitations of Series A and Series B Preferred Stock, a copy of the Proceedings and Approval by the Board of Directors and the Approval by the Majority of the Company's Shareholders.

F. If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself:

(if not applicable, indicate N/A)

N/A

The date of each amendment(s) adoption: _____

Effective date if applicable: Immediately

(no more than 90 days after amendment file date)

Adoption of Amendment(s) (CHECK ONE)

☒ The amendment(s) was/were adopted by the shareholders. The number of votes cast for the amendment(s) by the shareholders was/were sufficient for approval.

☐ The amendment(s) was/were approved by the shareholders through voting groups. The following statement must be separately provided for each voting group entitled to vote separately on the amendment(s):

"The number of votes cast for the amendment(s) was/were sufficient for approval

by _____."
(voting group)

☐ The amendment(s) was/were adopted by the board of directors without shareholder action and shareholder action was not required.

☐ The amendment(s) was/were adopted by the incorporators without shareholder action and shareholder action was not required.

Dated October 17, 2012

Signature _____

(By a director, president or other officer – if directors or officers have not been selected, by an incorporator – if in the hands of a receiver, trustee, or other court appointed fiduciary by that fiduciary)

Mark A. Wood

(Typed or printed name of person signing)

Secretary and Director

(Title of person signing)

TEXSTAR HOLDINGS, INC.

CERTIFICATE OF DESIGNATION OF SERIES A CONVERTIBLE PREFERRED STOCK

TEXSTAR HOLDINGS, INC., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), does hereby certify that, pursuant to the authority conferred on the Board of Directors of the Corporation by the Articles of Incorporation, as amended and restated to date (the "Articles of Incorporation"), of the Corporation and in accordance with Section 607.0602 of the Florida Revised Statutes, the Board of Directors of the Corporation adopted the following resolution establishing a series of **two million** (2,000,000) shares of Preferred Stock of the Corporation designated as "Series A Convertible Preferred Stock":

RESOLVED, that pursuant to the authority conferred on the Board of Directors of this Corporation by the Articles of Incorporation, a series of Preferred Stock, par value \$0.001 per share, of the Corporation is hereby established and created, and that the designation and number of shares thereof and the voting and other powers, preferences and relative, participating, optional or other rights of the shares of such series and the qualifications, limitations and restrictions thereof are as follows:

1. Designation. The series of preferred stock established hereby shall be designated the "Series A Convertible Preferred Stock" (and shall be referred to herein as the "Preferred A Shares") and the authorized number of Preferred Shares shall be **two million shares** (2,000,000).

2. Rank. With respect to any Liquidation Event (as defined herein), the Preferred Shares shall rank prior to the Corporation's common stock, par value \$0.001 per share (the "Common Stock"), and the Corporation's Series B Convertible Preferred Stock, par value \$.001 per share (the "Series B Shares," and together with the Common Stock, the "Junior Securities").

3. Voting Rights. Along with the holders of the Common Stock, each holder of Preferred Shares shall have one vote on all matters submitted to the holders of Common Stock for each share of Common Stock into which such Preferred Shares would be converted if converted as of the date of such vote based on the Conversion Ratio (as herein defined) then in effect, but regardless as to whether the Preferred Shares are then convertible. In addition, without the affirmative vote of the holders (acting together as a class) of at least a majority of Preferred Shares at the time outstanding given in person or by proxy at any annual or special meeting, or, if permitted by law, in writing without a meeting, the Corporation shall not alter, change or amend the preferences or rights of the Preferred Shares.

4. Dividends. The Preferred Shares shall be entitled to receive a dividend equal to eight percent (8%) of the amount invested on an annualized basis, payable on the 15th day of November, commencing November 15, 2013 and, as long as any Preferred Shares remain outstanding, no dividends shall be declared on any Junior Security without the consent in writing of holders of at least a majority of the Preferred Shares then outstanding. Subject to the foregoing sentence, in the event that the Corporation declares or pays any dividends upon the Common Stock (whether payable in cash, securities or other property), other than dividends

payable solely in shares of Common Stock, the Corporation shall also declare and pay to the holders of the Preferred Shares at the same time that it declares and pays such dividends to the holders of the Common Stock, the dividends which would have been declared and paid with respect to the Common Stock issuable upon conversion of the Preferred Shares had all of the outstanding Preferred Shares been converted immediately prior to the record date for such dividend or, if no record date is fixed, the date as of which the record holders of Common Stock entitled to such dividends are to be determined; provided that for purposes of determining the number of shares of Common Stock into which the Preferred Shares are converted, it shall be assumed that a Recapitalization Event has been effected.

5. Liquidation Right and Preference. In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), the holders of Preferred Shares shall be entitled to receive in cash, out of the assets of the Corporation, an amount per share for each outstanding Preferred Share equal to **\$5.00 per share** (herein, "Liquidation Value"), before any payments shall be made or any assets distributed to the holders of any Junior Securities. If, upon any Liquidation Event, the assets of the Corporation are insufficient to pay the Liquidation Value, the holders of such Preferred Shares shall share pro rata in any such distribution in proportion to the full amounts to which they would otherwise be respectively entitled. After payment of the full Liquidation Value to which each holder of Preferred Shares is entitled, the holders of the Preferred Shares will not be entitled to any further participation as such in any distribution of assets of the Corporation.

6. Conversion Rights.

(a) Conversion Ratio. The Preferred Shares shall be initially convertible into Common Stock at the rate of **ten shares** of Common Stock **per** Preferred Share converted (the "Conversion Ratio"). The shares of Common Stock issuable upon conversion of the Preferred Shares shall be referred to herein as the "Conversion Shares." The Conversion Ratio shall be subject to adjustment pursuant to Sections 9 (a) and (b). For the avoidance of doubt, a Recapitalization Event shall trigger an appropriate adjustment to the Conversion Ratio under Section 9 (a) and (b).

(b) Optional Conversion. Following the time upon which a Recapitalization Event becomes effective under all applicable provisions of the Florida Revised Statutes and the Corporation's Articles of Incorporation and Bylaws, the Preferred Shares may be convertible into such number of shares of Common Stock based on the Conversion Ratio then in effect.

(c) Automatic Conversion. The Preferred Shares shall, automatically and without any action on the part of the holders thereof, convert into a number of fully paid and nonassessable shares of Common Stock based on the then applicable Conversion Ratio upon the earlier of (i) such time as the United States Securities and Exchange Commission has declared effective a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the resale of Conversion Shares, or (ii) the expiration of 12 months from the date on which the Conversion Shares relating to such Preferred Shares are eligible for resale pursuant to Rule 144(k) promulgated under the Securities Act (or any successor rule thereto), but regardless of whether the holder of any such Preferred Shares is then deemed an affiliate of the Corporation.

(d) Optional Conversion Mechanics. In order to exercise the conversion privilege described in paragraph (b) of this Section, a holder of Preferred Shares shall (1) notify the Corporation in writing of such holder's intent to convert a specified portion of such shares (the "Conversion Notice" and the date of such notice which shall be the same or later than the date notice is given, the "Conversion Notice Date") and (2) provide, on or prior to the Conversion Notice Date, to the Corporation at its principal office the certificate evidencing the Preferred Shares being converted, duly endorsed to the Corporation and accompanied by written notice to the Corporation that the holder elects to convert a specified portion or all of such Preferred Shares. Preferred Shares converted in accordance with paragraph (b) of this Section shall be deemed to have been converted on the day of receipt by the Corporation of the certificate representing such shares for conversion in accordance with the foregoing provisions (the "Conversion Date"), and at such time the rights of the holder of such Preferred Shares other than the right to receive shares of Common Stock upon conversion of the Preferred Shares pursuant to the terms hereof, as such holder, shall cease and such holder shall be treated for all purposes as the record holder of Common Stock issuable upon conversion. As promptly as practicable on or after the Conversion Date, the Corporation shall issue and mail or deliver to such holder a certificate or certificates for the number of shares of Common Stock issuable upon conversion, computed to the nearest full share, and a certificate or certificates for the balance of Preferred Shares surrendered, if any, not so converted into Common Stock.

(e) Automatic Conversion Mechanics. The Corporation shall not be obligated to issue the shares of Common Stock issuable upon the automatic conversion of the Preferred Shares, as described in paragraph (c) of this Section, unless certificates evidencing such Preferred Shares are either delivered to the Corporation or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed, and executes agreements satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith. Upon the occurrence of any automatic conversion of the Preferred Shares pursuant to paragraph (c) of this Section, the holders of the Preferred Shares shall surrender the certificates representing the Preferred Shares for which such automatic conversion has occurred to the Corporation and the Corporation shall cause its transfer agent to deliver the shares of Common Stock issuable upon such conversion to the holder within three business days of the holder's delivery of the applicable Preferred Share certificate(s).

7. Redemption. The Corporation shall have the right to redeem all or a portion of the Series A Convertible Preferred Shares at any time prior to conversion; provided however, that the Holder(s) of such shares shall be sent, by the Corporation, a 30 day notice of the Corporation's intent to redeem, delivered to Holders last known address by electronic mail and/or courier. Failure of a Holder to notify the Corporation, in writing, of a change of address shall be a complete defense to any Holder's claim of non-receipt.

8. Preemptive Rights. Holders of Preferred Shares shall have no preemptive rights with respect to any future issuances of securities by the Corporation.

9. Other Terms of Preferred Shares.

(a) Stock Split, Stock Dividend, Recapitalization, etc. If the Corporation, at any time while any Preferred Shares are outstanding, (a) shall pay a stock dividend or otherwise

make a distribution or distributions payable in shares of its capital stock (whether payable in shares of its Common Stock or of capital stock of any class), (b) subdivide outstanding shares of Common Stock into a larger number of shares, (c) combine outstanding shares of Common Stock into a smaller number of shares, or (d) issue by reclassification of shares of Common Stock any shares of capital stock of the Corporation, the Conversion Ratio in effect immediately prior thereto shall be adjusted so that the holder of any Preferred Shares thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock which such holder would have owned or have been entitled to receive after the happening of any of the events described above had such Preferred Shares been converted immediately prior to the happening of such event or the record date therefor, whichever is earlier. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b) No Impairment. Unless approved in accordance with Section 3 hereof the Corporation will not, by amendment of its Articles of Incorporation or this Certificate of Designation or through any reorganization, transfer of assets, 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 Corporation but will at all times in good faith assist in the carrying out of all the provisions of Section 8(a) and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Shares against impairment.

(c) Notices of Record Date. In the event that this Corporation shall propose at any time:

- (i) to declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus (for avoidance of doubt, the foregoing phrase does not include any stock split or reverse stock split which results in an automatic adjustment of the Conversion Ratio pursuant to Section 8(a) above);
- (ii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or
- (iii) to merge with or into any other corporation (other than a merger in which the holders of the outstanding voting equity securities of the Corporation immediately prior to such merger hold more than fifty percent (50%) of the voting power of the surviving entity immediately following such merger), or sell, lease or convey all or substantially all its property or business, or to liquidate, dissolve or wind up;

then, in connection with each such event, this Corporation shall send to the holders of the Preferred Stock:

(1) at least ten (10) days' prior written notice of the date on which a record shall be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote in respect of the matters referred to in (ii) and (iii) above; and

(2) in the case of the matters referred to in (ii) and (iii) above, at least ten (10) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon the occurrence of such event).

Each such written notice shall be given by first class mail, postage prepaid, addressed to the holders of Preferred Shares at the address for each such holder as shown on the books of this Corporation and shall be deemed given when so mailed.

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

(e) Status of Converted Stock. In the event any Preferred Shares shall be converted pursuant to Section 6 hereof, (i) the Preferred Shares so converted shall be retired and cancelled and shall not be reissued and (ii) the authorized number of Preferred Shares set forth in Section 1 hereof shall be automatically reduced by the number of Preferred Shares so converted and the number of shares of the Corporation's undesignated Preferred Stock shall be deemed increased by such number.

(f) Loss, Theft, Destruction of Preferred Shares. Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of certificates representing Preferred Shares and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Corporation, or, in the case of any such mutilation, upon surrender and cancellation of the Preferred Shares, the Corporation shall make, issue and deliver, in lieu of such lost, stolen, destroyed or mutilated certificates representing Preferred Shares, new certificates representing Preferred Shares of like tenor.

(Rest of Page Left Intentionally Blank)

IN WITNESS WHEREOF, TexStar Holdings, Inc. has caused this Certificate to be signed on its behalf, as of this 27th day of September, 2012.

TexStar Holdings Inc.

By: 

Charles Burris

Its: President and Chief Executive Officer

By: 

Mark Wood, Secretary

**CERTIFICATE OF DESIGNATION
OF
SERIES B CONVERTIBLE PREFERRED SHARES
OF
TEXSTAR HOLDINGS INC.**

(Pursuant to Section 607.0821 of the Florida
Business Corporation Act)

TEXSTAR HOLDINGS INC. (the "Corporation"), a corporation organized and existing under and by virtue of the Business Corporation Act of the State of Florida, does hereby certify that pursuant to the provisions of Sections 607.0821, 607.0602 and 607.0603 of the Business Corporation Act of the State of Florida, the Board of Directors of the Corporation, pursuant to unanimous written consent effective on September 27, 2012, adopted the following resolution:

RESOLVED, that the Board of Directors of the Corporation by its Articles of Incorporation provides for the issue of a series of the Corporation's Preferred Shares, \$0.001 par value per share, to now be designated as "Series B Convertible Preferred Shares" (the "Series B Preferred Shares"). The Series B Preferred Shares shall, with respect to dividend rights and rights on liquidation, winding up and dissolution, rank prior to all other classes of the capital stock of the Corporation except the Preferred A Shares (except as otherwise provided herein).

The voting powers, designations, preferences, relative, participating, optional, conversion and other special rights, and the qualifications, limitations and restrictions of the Series B Preferred Shares are as follows:

1. Designation of Series. There shall be a series of Convertible Preferred Shares designated as "Series B Convertible Preferred Shares." \$0.001 par value per share, consisting of 1,000,000 shares. Each share of Series B Convertible Preferred Stock shall be referred to herein as a "Series B Preferred Share." The Series B Preferred Shares may be issued in fractional shares, each such share to be entitled, proportionately, to the full rights of the Series B Preferred Shares as herein provided.
2. Dividends. The Holders ("Holders") of Series B Preferred Shares shall not be entitled to receive dividends, out of assets legally available thereof, prior and in preference to any declaration or payment of any dividend on the common stock or any other capital stock of the Corporation.
3. Voting. Except as provided in this Section 3, or as provided in the Amended and Restated Articles of Incorporation, or as otherwise required by law, the Holders of Series B Preferred Shares shall have the right to vote the Series B Preferred Shares as though they were fully converted on the date prior the date of the intended vote. The Holders ("Holders") of the Series B Preferred shares shall

have the right to convert such shares into common capital stock based on a ratio that provides the fully diluted number of shares as the numerator and that multiple of the fully diluted numerator such that when all the Series B Preferred shares are converted, they equal **fifty one percent (51%)** of the then issued and outstanding common stock.

4. Redemption. Series B Preferred Stock is not subject to automatic redemption upon the occurrence of any event, nor shall the Corporation or any Holder of Series B Preferred Shares have the right at its option to redeem or have redeemed any outstanding Series B Preferred Shares.

5. Liquidation. The following events each shall constitute a "Liquidation Event" as provided herein;

(A) a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary;

(B) any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in the acquisition of the primary operating business of the Corporation or all or substantially all of the assets of the Corporation; or

(C) a consolidation or merger of the Corporation which does not result in the Corporation being the surviving entity and/or the current stockholders of the Corporation owning a controlling interest in the surviving entity.

Immediately prior to the consummation of a Liquidation Event, the Series B Preferred Shares shall immediately and automatically convert into shares of Common Stock of the Corporation as provided for herein.

6. Conversion. The Series B Preferred Stock shall be convertible in whole but not in part at the option of the Holders of a majority of the Series B Preferred Stock upon the first to occur of: (1) any closing or closings of equity and/or debt financing which, in the aggregate, equal or exceeds \$5,000,000 in gross proceeds, or (2) September 30, 2014. Notwithstanding the above, such conversion shall automatically be deemed to have been effected immediately prior to the Qualified Public Offering, and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the Holder or Holders of record of the Common Stock represented thereby at such time.

Upon such conversion, each Holder of Series B Preferred Shares shall surrender such shares, accompanied by instruments of transfer satisfactory to the Corporation and sufficient to transfer the Series B Preferred Shares being converted to the Corporation free of any adverse interest, at any of the offices or agencies maintained for such purpose by the Corporation. As promptly as practicable after the surrender of such Series B Preferred Shares as aforesaid, the Corporation shall issue and shall deliver at such office or agency to such Holder, or on his written order, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion of such shares in accordance with the provisions hereof, in proportion to their Common Stock holdings as of the date of this Designation, and any fractional interest in respect of a share of Common Stock arising upon such conversion shall be settled in cash as provided below.

No fractional shares of Common Stock shall be issued upon any conversion of the Series B Preferred Shares. Instead of any fractional interest in a share of Common Stock which would otherwise be deliverable upon the conversion of any Series B Preferred Shares, the Corporation shall make an adjustment therefor to the nearest 1/100th of a share in cash at the fair market value of the Common Stock as determined in good faith by the Board of Directors, as of the close of business on the business day next preceding the day of conversion.

The Corporation will pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock on conversion of the Series B Preferred Shares pursuant hereto; *provided, however*, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue or delivery of shares of Common Stock in a name other than that of the Holder of the Series B Preferred Shares converted and no such issue or delivery shall be made unless and until the person requesting such issue or delivery had paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

The Corporation covenants that all shares of Common Stock which may be delivered upon conversion of the Series B Preferred Shares will upon delivery be duly and validly issued and fully paid and nonassessable, free of all liens and charges and not subject to any preemptive rights. The number of shares of Common Stock required to effect conversion of all Series B Preferred Shares at any given time shall automatically be deemed to be reserved in a quantity sufficient to effect such conversion, and the issuance of

shares of Common Stock upon conversion of Series B Preferred Shares is authorized in all respects.

7. Status of Reacquired Series B Preferred Shares. Series B Preferred Shares issued and reacquired by the Corporation (including Series B Preferred Shares which have been converted into shares of Common Stock) shall have the status of authorized and unissued shares of Series B Preferred Shares undesignated as to the series, subject to later issuance.
8. Definitions. For purposes of this Certificate of Designation, the following terms have the meanings set forth below.

"Qualified Public Offering" shall mean the closing of a firm commitment underwritten public offering of Common Shares at an offering price of not less than \$10.00 per share that raises gross proceeds of not less than \$10 million.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be executed in its name by the undersigned, thereunto duly authorized, this 5th day of October, 2012.

TEXSTAR HOLDINGS INC.

By: 
Its: Charles Burrus, CEO and President

By: 
Its: Mark Wood, Secretary

RECORD OF PROCEEDINGS

WRITTEN CONSENT OF DIRECTORS OF TEXSTAR ENERGY, INC.

**(A Florida Corporation)
Corporation Filing #P07000015242**

DESIGNATION OF PREFERRED A AND B

In accordance with Section 607.0821 of Florida Statutes, the undersigned, constituting all the members of the Board of Directors (the "Board") of TexStar Holdings, Inc., a Florida corporation (the "Company"), do hereby consent to, vote in favor of, and adopt the following resolutions by unanimous written consent with such resolutions to be deemed to be adopted to the same extent and to have the same force and effect as if such resolutions were adopted by unanimous vote at a special meeting of the Board duly called and held for that purpose.

WHEREAS, the Board believes that it is in the best interests of the Company to adopt two newly created designations of Preferred Shares to be called the Series A Convertible Redeemable Preferred and the Series B Convertible Preferred; and

WHEREAS, it has been proposed that two million shares (2,000,000) shares of the Company's Preferred Stock be reserved for the Series A Preferred and one million (1,000,000) shares be reserved for the Series B Preferred;

THEREFORE RESOLVED, that the attached designations are to be filed with the Florida Secretary of State, and the same hereby is, approved and adopted subject to approval by the stockholders of the Company;

RESOLVED FURTHER, that subject to approval by the stockholders of the Company, there hereby is reserved for two million shares (2,000,000) shares of the Company's Preferred Stock be reserved for the Series A Preferred and one million (1,000,000) shares be reserved for the Series B Preferred;

RESOLVED FURTHER, that all shares of issued under the Plan, when issued in accordance with the terms of the Plan, will be validly issued, fully paid and non-assessable;

RESOLVED FURTHER, that the Board of Directors shall be authorized to provide for the issuance of the Preferred shares as it deems appropriate;

RESOLVED FURTHER, that all Preferred shares shall be evidenced by a certificate showing the name of the company, name of the shareholder and number of shares.


RESOLVED FURTHER, that the officers of the Company be, and each acting alone is hereby authorized, empowered and directed, for and on behalf and in the name of the Company, to present the Plan to the stockholders for their approval;

RESOLVED FURTHER, that all stock certificates representing preferred shares of stock issued shall bear legends restricting transfers under applicable securities laws, unless and until such stock is registered or removal of such legend is appropriate under applicable securities laws; and

RESOLVED FURTHER, that the officers of this Company are, and each acting alone is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as such officers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.

The undersigned, constituting all the members of the Board, do hereby consent to the foregoing consent resolution:

Dated: 10/8/2012



Charles Burris
Director
Chairman Of The Board

Dated: 5 OCT 2012



Mark Wood
Director

RECORD OF PROCEEDINGS

WRITTEN CONSENT OF A MAJORITY OF SHAREHOLDERS OF TEXSTAR HOLDINGS, INC.

**(A Florida Corporation)
Corporation Filing #P07000015242**

DESIGNATION OF PREFERRED A AND B

In accordance with Section 607.0704 of Florida Statutes, the undersigned, constituting a majority of the shareholders (the "Shareholders") of TexStar Holdings, Inc., a Florida corporation (the "Company"), do hereby consent to, vote in favor of, and adopt the following resolutions by unanimous written consent with such resolutions to be deemed to be adopted to the same extent and to have the same force and effect as if such resolutions were adopted by unanimous vote at a special meeting of the Board duly called and held for that purpose.

WHEREAS, the Board believes and has recommended to the shareholders that it is in the best interests of the Company to adopt two newly created designations of Preferred Shares to be called the Series A Convertible Redeemable Preferred and the Series B Convertible Preferred; and

WHEREAS, it has been proposed that two million shares (2,000,000) shares of the Company's Preferred Stock be reserved for the Series A Preferred and one million (1,000,000) shares be reserved for the Series B Preferred;

THEREFORE RESOLVED, that the attached designations are to be filed with the Florida Secretary of State, and the same hereby are approved and adopted and authorize the amendment to the Articles of Incorporation to reflect the changes and new designations.

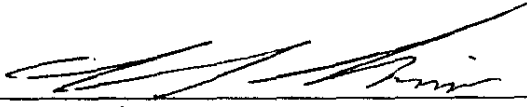
RESOLVED FURTHER, that the Board of Directors shall be authorized to provide for the issuance of the Preferred shares as it deems appropriate;

RESOLVED FURTHER, that the officers of the Company be, and each acting alone is hereby authorized, empowered and directed, for and on behalf and in the name of the Company, to present the Plan to the stockholders for their approval;

RESOLVED FURTHER, that the officers of this Company are, and each acting alone is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as such officers shall deem necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.

The undersigned, constituting a majority of the shareholders of the Company, do hereby consent to the foregoing consent resolution:

Dated: October 4, 2012


Charles Burris

Number of Shares: 9,391,356

The foregoing was subscribed and sworn to before me, a Notary Public in the State of
Texas by Charles Burris.

Josephine White
Notary Public

My commission expires: 08-11-2014

