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**ARTICLES OF AMENDMENT
TO
THE ARTICLES OF INCORPORATION
OF
RETRAC ENTERPRISES, INC.**

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**CERTIFICATE OF DESIGNATION
FOR
SERIES A AND SERIES B CONVERTIBLE PREFERRED STOCK**

Retrac Enterprises, Inc, a Florida corporation, does hereby amend its Articles of Incorporation by filing the following amendment, pursuant to Section 607.0602 of the Florida Statutes.

1. The name of the corporation is Retrac Enterprises, Inc.
2. Article IV of the Articles of Incorporation is amended by adding the following language to the end of such Article IV:

"A. Series A and Series B Convertible Preferred Stock.

The Board of Directors of the Corporation authorizes and designates the relative rights and preferences of 102,000 shares of Preferred Stock as Series A Convertible Preferred Stock (the "Series A Preferred Stock"), \$.001 par value, and 300,000 shares of Preferred Stock as Series B Convertible Preferred Stock (the "Series B Preferred Stock"), \$.001 par value, of the Corporation as follows:

1. Dividends.

(a) Series A Preferred Stock. The holders of outstanding Series A Preferred Stock are entitled to receive, out of any assets at the time legally available therefor and before any dividend or distribution (other than pursuant to Section 2 hereof) is paid on Common Stock and any other class or series of Preferred Stock, cumulative cash dividends at the rate of 4% of the Original Series A Issue Price (as defined below) per annum on each outstanding share of Series A Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares). If declared by the Board of Directors, the dividend or distribution on the Series A Preferred Stock shall be payable annually or otherwise as the Board of Directors may from time to time determine. The right to dividends on shares of Series A Preferred Stock is cumulative and shall be paid when and as declared by the Board of Directors. Cumulative dividends, if paid, or if declared and set apart for payment, must be paid on, or declared and set apart for payment on, all then outstanding shares of Series A Preferred Stock.

(b) Series B Preferred Stock. The holders of outstanding Series B Preferred Stock are entitled to receive, out of any assets at the time legally available therefor and before any dividend or distribution (other than pursuant to Section 2 hereof) is paid on Common Stock and any other class or series of Preferred Stock (other than the Series A Preferred Stock),

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cumulative cash dividends at the rate of 6% of the Original Series B Issue Price (as defined below) per annum on each outstanding share of Series B Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares). If declared by the Board of Directors, the dividend or distribution on the Series B Preferred Stock shall be payable annually or otherwise as the Board of Directors may from time to time determine. The right to dividends on shares of Series B Preferred Stock is cumulative and shall be paid when and as declared by the Board of Directors. Cumulative dividends, if paid, or if declared and set apart for payment, must be paid on, or declared and set apart for payment on, all then outstanding shares of Series B Preferred Stock.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock or the Series B Preferred Stock by reason of their ownership thereof, the amount of \$0.50 (as adjusted for any stock dividends, combinations or splits with respect to such shares, the "Original Series A Issue Price") for each share of Series A Preferred Stock then held by them. If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series B Preferred Stock shall be entitled to receive, after any distribution of any of the assets or surplus funds of the Corporation to the holders of the Series A Preferred Stock by reason of their ownership thereof, but prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock by reason of their ownership thereof, the amount of \$1.00 (as adjusted for any stock dividends, combinations or splits with respect to such shares, the "Original Series B Issue Price") for each share of Series B Preferred Stock then held by them. If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series B Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(c) After payment to the holders of the Series A Preferred Stock and the Series B Preferred Stock of the amounts set forth in Sections A.2(a) and A.2(b) hereof, the remaining assets and funds of the Corporation legally available for distribution, if any, shall be distributed among the holders of the Common Stock in proportion to the shares of Common Stock then held by them.

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(d) For purposes of this Section A.2, (i) any acquisition of the Corporation by means of merger or other form of corporate reorganization in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the acquiring corporation or its subsidiary (other than a mere reincorporation transaction) or (ii) a sale of all or substantially all of the assets of the Corporation, shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series A Preferred Stock, Series B Preferred Stock and Common Stock to receive at the closing in cash, securities or other property (valued as provided in Section A.2(e) hereof) amounts as specified in Sections A.2(a), A.2(b) and A.2(c) hereof.

(e) Whenever the distribution provided for in this Section A.2 shall be payable in securities or property other than cash, the value of such distribution shall be the fair market value of such securities or other property as determined in good faith by the Board of Directors.

3. **Voting Rights.** The holders of shares of the Series A Preferred Stock and Series B Preferred Stock shall not be entitled to voting rights.

4. **Conversion.** The holders of the Series A Preferred Stock and Series B Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) **Automatic Conversion.** Each share of Series A Preferred Stock and Series B Preferred Stock shall automatically be converted into shares of Common Stock at the Series A Conversion Price or Series B Conversion Price, respectively (as defined herein), then in effect at such time immediately upon the closing of the sale of the Corporation's Common Stock in a firm commitment, underwritten public offering registered under the Securities Act of 1933, as amended (the "Securities Act"), other than a registration relating solely to a transaction under Rule 145 under such Securities Act (or any successor thereto) or to an employee benefit plan of the Corporation, at a public offering price (before underwriters' discounts and expenses) of at least \$5.00 per share (as adjusted for any stock splits, stock dividends or other recapitalizations) and with gross proceeds to the Corporation of at least \$15,000,000. The initial conversion price per share for shares of Series A Preferred Stock (the "Series A Conversion Price") shall be the Original Series A Issue Price. The initial conversion price per share for shares of Series B Preferred Stock (the "Series B Conversion Price") shall be the Original Series B Issue Price. Such initial Series A Conversion Price and Series B Conversion Price shall be adjusted as hereinafter provided.

(b) **Mechanics of Conversion.**

(i) In the event of an automatic conversion of Series A Preferred Stock and Series B Conversion Price pursuant to Section A.4(a) hereof, the holder of such Series A Preferred Stock and/or Series B Preferred Stock shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, and shall state the number of shares to be converted and the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock and/or Series B Preferred Stock, a certificate or certificates

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for the number of shares of Common Stock to which such holder shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Series A Preferred Stock and/or Series B Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(ii) If the conversion is in connection with an underwritten offering of securities pursuant to the Securities Act, the conversion may, at the option of any holder tendering shares of Series A Preferred Stock and/or Series B Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock upon conversion of the Series A Preferred Stock and/or Series B Preferred Stock shall not be deemed to have converted such Series A Preferred Stock and/or Series B Preferred Stock until immediately prior to the closing of such sale of securities. Until certificates for such shares of the Series A Preferred Stock and/or Series B Preferred Stock which have been converted have been delivered to the Corporation for exchange for certificates representing such Common Stock, such certificates shall be deemed to represent the shares of Common Stock into which such Series A Preferred Stock and/or Series B Preferred Stock has been converted.

(c) **Adjustments to Conversion Prices for Stock Dividends and for Combinations or Subdivisions of Common Stock.** In the event that this Corporation at any time or from time to time after the date on which a share of Series A Preferred Stock or Series B Preferred Stock, as applicable, was first issued shall declare or pay, without consideration, any dividend on the Common Stock payable in Common Stock or in any right to acquire Common Stock for no consideration, or shall effect a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock (by stock split, reclassification or otherwise than by payment of a dividend in Common Stock or in any right to acquire Common Stock), or in the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, then the Series A Conversion Price or Series B Conversion Price, as applicable, in effect immediately prior to such event shall, concurrently with the effectiveness of such event, be proportionately decreased or increased, as appropriate. In the event that this Corporation shall declare or pay, without consideration, any dividend on the Common Stock payable in any right to acquire Common Stock for no consideration, then the Corporation shall be deemed to have made a dividend payable in Common Stock in an amount of shares equal to the maximum number of shares issuable upon exercise of such rights to acquire Common Stock.

(d) **Adjustments for Reclassification and Reorganization.** If the Common Stock issuable upon conversion of the Series A Preferred Stock and Series B Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for in Section A.4(c) hereof or a merger or other reorganization referred to in Section A.2(d) hereof), the Series A Conversion Price and Series B Conversion Price then in effect shall, concurrently with the effectiveness of such reorganization or reclassification, be proportionately adjusted so that the Series A Preferred Stock and Series B Preferred Stock shall be convertible into, in lieu of the number of shares of Common Stock

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which the holders would otherwise have been entitled to receive, a number of shares of such other class or classes of stock equivalent to the number of shares of Common Stock that would have been subject to receipt by the holders upon conversion of the Series A Preferred Stock or Series B Preferred Stock, as applicable, immediately before that change.

(e) **No Impairment.** The Corporation will not, by amendment of these 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 Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section A.4 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 Series A Preferred Stock and Series B Preferred Stock against impairment.

(f) **Certificates as to Adjustments.** Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price and Series B Conversion Price pursuant to this Section A.4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock and Series B Preferred Stock a certificate executed by the Corporation's President or Treasurer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock or Series B Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Series A Conversion Price or Series B Conversion Price, as applicable, at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of the Series A Preferred Stock or Series B Preferred Stock, as applicable.

(g) **Notices of Record Date.** In the event that the 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; (ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (iii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or (iv) to merge or consolidate with or into any other corporation, or sell, lease or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Corporation shall send to the holders of Series A Preferred Stock and Series B Preferred Stock:

(A) at least twenty (20) 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); and

(B) in the case of the matters referred to in (iii) and (iv) above, at least twenty (20) 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).

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(h) **Issue Taxes.** The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock and Series B Preferred Stock pursuant hereto; provided, however, that the Corporation shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

(i) **Reservation of Stock 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 Series A Preferred Stock and Series B Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock and Series B Preferred Stock; 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 shares of the Series A Preferred Stock and Series B Preferred Stock, 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, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to these Articles of Incorporation.

(j) **Fractional Shares.** No fractional share shall be issued upon the conversion of any share or shares of Series A Preferred Stock or Series B Preferred Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A Preferred Stock or Series B Preferred Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors).

(k) **Notices.** Any notice required by the provisions of this Section A.4 to be given to the holders of shares of Series A Preferred Stock or Series B Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder's address appearing on the books of the Corporation.

5. **Restrictions and Limitations.** The Corporation shall not amend these Articles of Incorporation or its Bylaws without the approval, by vote or written consent, by the holders of a majority of each of the Series A Preferred Stock and the Series B Preferred Stock if such amendment would adversely affect any of the rights, preferences or privileges provided for herein for the benefit of the Series A Preferred Stock or Series B Preferred Stock, as applicable.

6. **No Reissuance of Series A Preferred Stock or Series B Preferred Stock.** No share or shares of Series A Preferred Stock or Series B Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

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DEC 16, 2008 19:11 Joseph Arthur

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Page 1

3. The Amendment to the Articles of Incorporation was adopted on December 15, 2008.

4. The Amendment to the Articles of Incorporation was duly adopted by the Board of Directors.

In witness of the foregoing, the undersigned has caused these Articles of Amendment to the Articles of Incorporation to be executed by its duly authorized officer as of this 15 day of December, 2008.



Joseph Arthur
President

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