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December 21, 2016

FLORIDA DEPARTMENT OF STATE  
Division of Corporations

HOVERFLY TECHNOLOGIES, INC.  
12151 RESEARCH PARKWAY SUITE 100  
ORLANDO, FL 32826US

SUBJECT: HOVERFLY TECHNOLOGIES, INC.  
REF: P10000072009

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refile the complete document, including the electronic filing cover sheet.

Please file the document as either articles of amendment or amended and restated. We can not file both at the same time.

If you have any questions concerning the filing of your document, please call (850) 245-6050.

Carolyn Lewis  
Regulatory Specialist II

FAX Aud. #: H16000311103  
Letter Number: 116A00027062

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**AMENDED AND RESTATED ARTICLES OF INCORPORATION**  
**OF**  
**HOVERFLY TECHNOLOGIES, INC.**

HOVERFLY TECHNOLOGIES, INC., a corporation organized and existing under the laws of the State of Florida, hereby certifies as follows:

The name of the Corporation is Hoverfly Technologies, Inc. (the "Corporation"). The Corporation was originally incorporated under the same name and the original Articles of Incorporation of the Corporation were filed with the Secretary of State on August 30, 2010.

Pursuant to Sections 607.1006 and 607.1007 of the Florida Business Corporation Law, these Amended and Restated Articles of Incorporation amend and restate the provisions of the Amended and Restated Articles of Incorporation of this Corporation filed on May 4, 2015. These Amended and Restated Articles of Incorporation were approved on May 1, 2015 by the Board of Directors, by the holders of the Common Stock of the Corporation and by the holders of the Preferred Stock of the Corporation such that the number of votes cast by each class of stockholders for the amendments was sufficient for approval.

The text of the Amended and Restated Articles of Incorporation is restated and amended to read in its entirety as follows:

**FIRST:** The name of this Corporation is: HOVERFLY TECHNOLOGIES, INC.

**SECOND:** Its Registered Office in the State of Florida is to be located at: 1200 South Pine Island Road, Plantation, Florida 32708. The name of its Registered Agent at such address is: CT Corporation System.

**THIRD:** The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Florida Business Corporation Law.

**FOURTH:** The amount of the total authorized capital stock of this Corporation is One Hundred Nineteen Thousand Four Hundred Fifty-Three Dollars and Twenty-One Cents (\$119,453.21) consisting of One Hundred Nineteen Million Four Hundred Fifty-Three Thousand Two Hundred Two (119,453,202) Shares divided into (a) Eighty Million (80,000,000) shares of Common Stock, par value \$0.001 per share ("Common Stock"), (b) Nine Million Four Hundred Thirty-Eight Thousand Two Hundred Two (9,438,202) shares of Series A Preferred Stock, par value \$0.001 per share ("Series A Preferred Stock"), and (c) Thirty Million Fifteen Thousand (30,015,000) shares of Series A1 Preferred Stock, par value \$0.001 per share ("Series A1 Preferred Stock," and together with the Series A Preferred Stock, the "Preferred Stock").

A. The shares of the authorized Common Stock will be identical in all respects and will have equal rights and privileges, subject only to the prior rights, if any, applicable to the Preferred Stock or any series thereof.

B. The Preferred Stock shall have the following rights, terms and privileges:

1. Dividends.

a. The holders of record of shares of Series A1 Preferred Stock shall be entitled to receive, out of funds legally available therefor, when and as declared by the Board of Directors (the "Board"), dividends at the rate per annum of \$0.010914 per share (adjusted proportionately for any stock splits, stock dividends, combinations, reclassifications or other similar events involving the Series A1 Preferred Stock), which shall accrue from day to day, whether or not declared, and shall be cumulative and payable in preference and priority to any payment of any cash dividend on Common Stock or any other shares of capital stock of the Corporation (the "Series A1 Preferred Dividend"). Except as expressly provided otherwise in these Amended and Restated Articles of Incorporation, all accrued and unpaid Series A1 Preferred Dividends shall be paid only when declared by the Board.

b. The holders of record of shares of Series A Preferred Stock shall be entitled to receive, out of funds legally available therefor, when and as declared by the Board, dividends at the rate per annum of \$0.011125 per share (adjusted proportionately for any stock splits, stock dividends, combinations, reclassifications or other similar events involving the Series A Preferred Stock), which shall accrue from day to day, whether or not declared, and shall be cumulative and payable in preference and priority to any payment of any cash dividend on Common Stock or any other shares of capital stock of the Corporation other than the Series A1 Preferred Stock (the "Series A Preferred Dividend," and together with the Series A1 Preferred Dividend, the "Preferred Dividends"). Except as expressly provided otherwise in these Amended and Restated Articles of Incorporation, all accrued and unpaid Series A Preferred Dividends shall be paid only when declared by the Board.

c. The Preferred Dividends shall accrue from day to day with respect to the applicable share of Preferred Stock from the date such share is issued and outstanding whether or not earned or declared and whether or not there exists profits, surplus or other funds legally available for the payment of dividends, and shall be cumulative so that if such Preferred Dividends shall not have been paid, or declared and set apart for payment, the deficiency shall be fully paid or declared and set apart for payment before any dividend shall be paid or declared or set apart for any Common Stock and before any purchase or acquisition of any Common Stock is made by the Corporation, except the repurchase of Common Stock from employees or directors or consultants of the Corporation upon termination of employment or services pursuant to the terms of restrictive stock agreements entered into with such employees, directors or consultants and approved by the Board. No accumulation of dividends on the Preferred Stock shall bear interest.

d. In the event that at a time when shares of the Preferred Stock are outstanding the Corporation shall declare a dividend on shares of its Common Stock payable in cash or property (other than in shares of its Common Stock), there shall also be declared a corresponding dividend payable to the holders of the Preferred Stock in an amount per share and

type of property which would have been payable to the such holders had they exercised their rights to convert the shares of Preferred Stock into Common Stock immediately prior to the record date for the dividend on such Common Stock. Any participating dividend required by operation hereof shall bear the same record date and payment date as applicable to the record date and payment date for the Common Stock giving rise to such dividend.

e. The Corporation shall not declare or pay any dividend on any share of Common Stock unless the Board reasonably concludes in the exercise of its discretion that as of the record date and as of the payment date for any such dividend, the fair market value of the net assets of the Corporation available for distribution to holders of the Preferred Stock remaining after such dividend (including any participating or other dividend required to be paid on the Preferred Stock or any other security as a result of such dividend) would upon liquidation (and after the expense of sale or disposition of the Corporation's assets) exceed the then applicable Preferred Liquidation Preference, as hereinafter defined, due with respect to the then outstanding Preferred Stock.

## 2. Liquidation Dissolution or Winding Up.

a. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), before any distribution may be made with respect to the Common Stock or the Series A Preferred Stock, the holders of each share of Series A1 Preferred Stock shall be entitled to be paid out of the assets of the Corporation available for distribution, whether such assets are capital, surplus or capital earnings, an amount per share equal to the Series A1 Preferred Liquidation Preference, as hereinafter defined. If upon a Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A1 Preferred Stock the full amount to which they shall be entitled under this Section 2(a), the holders of shares of Series A1 Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

b. In the event of a Liquidation Event and after payment in full of the Series A1 Preferred Liquidation Preference, before any distribution may be made with respect to the Common Stock, the holders of each share of Series A Preferred Stock shall be entitled to be paid out of the assets of the Corporation available for distribution, whether such assets are capital, surplus or capital earnings, an amount per share equal to the Series A Preferred Liquidation Preference, as hereinafter defined. If upon a Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Section 2(b), the holders of shares of Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

c. After payment in full of the Series A1 Preferred Liquidation Preference and the Series A Preferred Liquidation Preference, the remaining assets and funds of the Corporation legally available for distribution, if any, shall be ratably distributed among the holders of the Common Stock and the holders of Series A Preferred Stock in proportion to the shares of Common Stock then held by them, or, in the case of the holders of Series A Preferred Stock, the shares of Common Stock which they had the right to acquire upon conversion of the Preferred Stock then held by them.

d. i. The term "Series A1 Preferred Liquidation Preference" shall mean with respect to a share of Series A1 Preferred Stock an amount equal to the greater of (I) the sum of (1) the Original Series A1 Preferred Issuance Price, adjusted proportionately for any stock splits, stock dividends, combinations, reclassifications or other similar events involving the Series A1 Preferred Stock; plus (2) all accrued but unpaid dividends with respect to such share of Series A1 Preferred Stock, and (II) the amount payable in respect of such share of Series A1 Preferred Stock if all shares of Series A1 Preferred Stock had converted into Common Stock immediately prior to any distribution in respect of a Liquidation Event.

ii. The "Original Series A1 Preferred Issuance Price" shall mean \$0.1819 per share of Series A1 Preferred Stock.

iii. The term "Series A Preferred Liquidation Preference" shall mean with respect to a share of Series A Preferred Stock an amount equal to the sum of (I) the Original Series A Preferred Issuance Price, adjusted proportionately for any stock splits, stock dividends, combinations, reclassifications or other similar events involving the Series A Preferred Stock; plus (II) all accrued but unpaid dividends with respect to such share of Series A Preferred Stock.

iv. The "Original Series A Preferred Issuance Price" shall mean \$0.11125 per share of Series A Preferred Stock.

v. The "Original Preferred Issuance Price" shall mean the Original Series A1 Preferred Issuance Price or Original Series A Preferred Issuance Price, as applicable.

vi. The "Preferred Liquidation Preference" shall mean the Series A1 Preferred Liquidation Preference or Series A Preferred Liquidation Preference, as applicable.

e. Deemed Liquidation Events.

i. The following events shall be deemed to be a Liquidation Event for purposes of this Section B.2 unless the holders of at least two-thirds (2/3) of the outstanding shares of Preferred Stock voting as a single class on an as-converted to Common Stock basis elect otherwise by written notice given to the Corporation at least 10 days prior to the effective date of any such event (any such event, unless such an election is made, a "Deemed Liquidation Event"):

A. a merger, acquisition, consolidation or any other reorganization transaction or series of related transactions in which

I. the Corporation is a constituent party, or

II. a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except any such merger, acquisition, consolidation or any other reorganization transaction or series of related transactions involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted or exchanged for shares of capital stock which represent, immediately following such merger or consolidation a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following and as a result of such merger or consolidation, the parent corporation of such surviving or resulting corporation;

B. the sale, lease, exclusive license, transfer or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or a majority of the assets or intellectual property of the Corporation, except where such sale, lease, exclusive license, transfer or other disposition is to a wholly owned subsidiary of the Corporation; or

C. any other transaction or series of related transactions in which the stockholders of the Corporation immediately prior to the transaction or series of related transactions do not hold, immediately following such transaction or series of related transactions, a majority, by voting power, of the capital stock of the (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation.

ii. The Corporation shall not have the power to effect any transaction constituting a Deemed Liquidation Event pursuant to Subsection 2(e)(i)(A) above unless the agreement or plan of merger or consolidation provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2(a), 2(b) and 2(c).

iii. In the event of a Deemed Liquidation Event pursuant to Subsections 2(e)(i)(A), 2(e)(i)(B) or 2(e)(i)(D) above, if the Corporation does not effect a dissolution of the Corporation under the Florida Business Corporation Law within 60 days after such Deemed Liquidation Event, then (A) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 60th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right), pursuant to the terms of the following clause (B), to require the redemption of all outstanding shares of Preferred Stock, and (B) if the holders of a majority of the then outstanding shares of Preferred Stock voting together as a single class on an as-converted to Common Stock basis so request in a

written instrument delivered to the Corporation not later than 90 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board in its reasonable judgment), together with any other assets of the Corporation available for distribution to its stockholders (the "Available Proceeds"), to the extent legally available therefor, on the 120th day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the aggregate amount that would be payable with respect to a share of such series of Preferred Stock pursuant to Subsections 2(a), (b) and (c) above in a Deemed Liquidation Event in which the Available Proceeds are distributed in full. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, in accordance with the liquidation preference priorities set forth in Subsections 2(a), (b) and (c), the Corporation shall redeem a pro rata portion of each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor, and subject in all instances to the priorities of the respective series of Preferred Stock in any redemption or liquidation. Prior to the distribution or redemption provided for in this Subsection 2(e), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in the ordinary course of business.

f. If any portion of the consideration payable to the Corporation or its stockholders in a Deemed Liquidation Event is payable only upon satisfaction of contingencies (the "Additional Consideration"), (i) the portion of such consideration that is not Additional Consideration (such portion, the "Initial Consideration") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2(a), (b) and (c) as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (ii) any Additional Consideration which becomes payable to the Corporation or its stockholders upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2(a), (b) and (c) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2(f), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

g. If the amount deemed paid or distributed to the Corporation or the holders of any capital stock of the Corporation in any Liquidation Event or Deemed Liquidation Event is made in property other than in cash, the value of such distribution shall be the fair market value of such property, determined as follows:

i. For securities not subject to investment letters or other similar restrictions on free marketability,



A. if traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange or market over the thirty (30) day period ending three (3) days prior to the closing of such transaction;

B. if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the closing of such transaction; or

C. if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board.

ii. The method of valuation of securities subject to investment letters or other similar restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall take into account an appropriate discount (as determined in good faith by the Board) from the market value as determined pursuant to clause (A.) above so as to reflect the approximate fair market value thereof.

iii. For non-cash and non-security proceeds, the value shall be the fair market value thereof, as determined by the Board in good faith in its reasonable judgment.

iv. Notwithstanding any other provision of this Subsection 2, in the event any proceeds are payable in a combination of cash and other property, the holders of Preferred Stock, by action of a majority of the shares of such Preferred Stock, in their sole and absolute discretion, shall have the option to elect to receive such proceeds in either cash or such other property, to the extent thereof.

### 3. Voting Power.

a. Except as expressly provided in Section B.6 of this Article Four or as required by law, each holder of Preferred Stock shall be entitled to vote the number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock are convertible as of the record date for determining stockholders entitled to vote on such matter; provided that fractional voting rights shall not be permitted and any fractional votes will be rounded to the nearest whole number of votes. Except as expressly provided in Section B.6 of this Article Four or as required by law, the holders of shares of Preferred Stock and Common Stock shall vote together as a single class on an as-converted to Common Stock basis on all matters.

b. The Board shall consist of five directors. The holders of record of the shares of Common Stock, voting separately as a single class, shall be entitled to elect two members of the Board (the "Common Directors"). The holders of record of the shares of Series A1 Preferred Stock, voting separately as a single class, shall be entitled to elect one (1) member of the Board (the "Preferred Director"). The holders of Common Stock and Preferred Stock

voting together as a single class on an as-converted to Common Stock basis shall be entitled to elect two (2) members of the Board.

c. In the case of any vacancy in the office of any director, the holders of the class of stock entitled to elect the director whose absence created the vacancy shall elect a successor to hold such office for the unexpired term thereof. A director may be removed during his or her term of office, whether with or without cause, only by the affirmative vote of the holders of the class or series of stock entitled to elect such director pursuant to Section B.3.b.

4. Optional Conversion. The holders of shares of Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

a. Right to Convert. Each share of Preferred Stock shall be convertible, without the payment of additional consideration by or to the holder thereof, at the option of the holder thereof, at any time and from time to time, including without limitation following a Liquidation Event or Deemed Liquidation Event, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Preferred Issuance Price by the Conversion Price (as defined below) in effect at the time of conversion. Any accrued but unpaid Preferred Dividends on a share of Preferred Stock being converted shall convert at the same time into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing such Preferred Dividends by the Conversion Price. The "Conversion Price" shall initially be equal to the Original Preferred Issuance Price. Such initial Conversion Price and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided in clauses (d), (e), (f) and (g) below.

b. Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of fractional shares, the Corporation shall pay cash in an amount equal to such fraction multiplied by the fair market value of the Common Stock as of the date of conversion as determined in the reasonable discretion of the Board.

c. Mechanics of Conversion.

i. In order to convert shares of Preferred Stock into shares of Common Stock, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed if the Corporation shall so require, or accompanied by appropriate instruments of transfer satisfactory to the Corporation, at the office of the transfer agent for the Preferred Stock, or at such other office as may be designated by the Corporation, together with written notice that such holder irrevocably elects to convert such shares. Such notice shall also state the name and address in which such holder wishes the certificate for the shares of Common Stock issuable upon conversion to be issued. As soon as practicable after receipt of the certificates representing the shares of Preferred Stock to be converted and the notice of election to convert the same, the Corporation shall issue and deliver at said office a certificate for the number of shares of Common Stock issuable upon conversion of the shares of Preferred Stock surrendered for conversion, together with a check payable to such holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock. Shares of Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the

date such shares are surrendered for conversion and notice of election to convert the same is received by the Corporation in accordance with the foregoing provision, and the person entitled to receive the Common Stock issuable upon such conversion shall be deemed for all purposes as the record holder of such Common Stock as of such date.

ii. The Corporation shall at all times during which the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued shares of Common Stock, for the purpose of effecting the conversion of the Preferred Stock as herein provided, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Stock and shall take all such corporate action as may be necessary to assure that such shares of Common Stock may be validly and legally issued upon conversion of all of the outstanding shares of the 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 the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

d. Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date (as defined below) effect a subdivision of the outstanding Common Stock, the Conversion Price then in effect immediately before that subdivision shall be proportionately decreased. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock, the Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

e. Adjustment for Certain Dividends and Distributions. If the Corporation at any time, or from time to time after the Original Issue Date shall make or issue, a dividend or other distribution on its outstanding Common Stock payable in Additional Shares of Common Stock (as defined below), then and in each such event the Conversion Price shall be decreased as of the time of such issuance, by multiplying the Conversion Price by a fraction:

i. the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance, and

ii. the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

For the purpose of the calculation set forth in clauses (i) and (ii) above, the number of shares of Common Stock outstanding immediately prior to such issue shall be calculated on a fully diluted basis, as if all shares of Preferred Stock and all Convertible Securities (as defined below) had been fully converted into shares of Common Stock immediately prior to such issuance and any outstanding Convertible Securities and Rights (as defined below) had been fully exercised

immediately prior to such issuance (and the resulting securities fully converted into shares of Common Stock, if so convertible) as of such date.

f. Adjustment for Reclassification, Exchange, or Substitution. If the Common Stock issuable upon the conversion of the Preferred Stock shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares or stock dividend provided for above, or a reorganization, merger, consolidation, or sale of assets for below), then and in each such event the holder of each share of Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification, or other change, by holders of the number of shares of Common Stock into which such shares of Preferred Stock might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustment as provided herein.

g. Adjustments to Conversion Price for Other Dilutive Issuances. If the Corporation shall at any time after the Original Issue Date issue any Additional Shares of Common Stock (including any Additional Share of Common Stock deemed to be issued pursuant to Section 4(g)(iii), but excluding share issuances for which an adjustment is required under clauses (d), (e) or (f) of this Section 4), without consideration or for a consideration per share less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, then and in such event, such Conversion Price shall be reduced as provided herein.

i. Definitions. For purposes of this Article Four, the following definitions shall apply:

A. *"Additional Shares of Common Stock"* shall mean all shares of Common Stock issued (or, pursuant to Section 4(g)(iii) below, deemed to be issued) by the Corporation after the Original Issue Date, other than (X) Compensatory Shares (as defined below) or (Y) shares of Common Stock issued or issuable as a dividend or distribution on Preferred Stock or in a stock split or other transaction described in clauses (d), (e) or (f) of this Section 4.

B. *"Compensatory Shares"* shall mean up to 12,108,113 shares of Common Stock (subject to appropriate adjustment for any stock dividend, stock split, combination Of similar recapitalization affecting such shares after the Original Issue Date) issued to employees, directors, officers, consultants or service providers to the Corporation pursuant to any incentive or restricted stock plan or agreement approved by the Board.

C. *"Convertible Securities"* shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock.

D. *"Diluted Common Shares Outstanding"* shall mean the sum of (X) the number of shares of Common Stock outstanding immediately prior to the event or transaction giving rise to an adjustment hereunder, plus (Y) the number of shares of Common Stock into which the Preferred Stock outstanding immediately prior to such event or

transaction is convertible, plus (Z) the number of shares of Common Stock issuable as Compensatory Shares or pursuant to other outstanding Rights outstanding immediately prior to such event or transactions, but only to the extent that the exercise price with respect thereto is equal to or less than the Conversion Price then in effect.

E. "Original Issue Date" shall mean the date on which the first share of Series A1 Preferred Stock is first issued.

F. "Rights" shall mean all rights issued by the Corporation to acquire Common Stock, but excluding Compensatory Shares or Convertible Securities, whether by exercise of a warrant, option or similar call or conversion of any existing instruments, in either case for consideration fixed, in amount or by formula, as of the date of issuance.

ii. Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. Concurrently with an issuance of Additional Shares of Common Stock, the Conversion Price then in effect shall be reduced to a price determined by multiplying such Conversion Price by a fraction, (I) the numerator of which shall be (A) the number of Diluted Common Shares Outstanding immediately prior to such issue plus (B) the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common Stock so issued would purchase at such Conversion Price; and (II) the denominator of which shall be (A) the number of Diluted Common Shares Outstanding plus (B) the number of such Additional Shares of Common Stock so issued.

iii. Deemed Issuance of Additional Shares of Common Stock. If the Corporation at any time or from time to time after the Original Issue Date shall issue any Convertible Securities or Rights, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon exercise of such Rights or, in the case of Convertible Securities, 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, provided that Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per share of such Additional Shares of Common Stock would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares of Common Stock are deemed to be issued no further adjustment in the Conversion Price shall be made upon the subsequent issue of shares of Common Stock upon the exercise of such Rights or conversion or exchange of such Convertible Securities. Upon the amendment of any unexercised Right 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 4, the Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Right or Convertible Security (or portion thereof) been so amended at its issuance. Upon the expiration or termination of any unexercised Right 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 4, the Conversion Price shall

be readjusted to such Conversion Price as would have obtained had such Right or Convertible Security (or portion thereof) never been issued.

iv. Determination of Consideration. For purposes of this Section 4(g), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

A. Cash and Property. Such consideration shall:

I. insofar as it consists of cash, be computed at the aggregate of cash received or to be received by the Corporation, excluding amounts paid or payable for accrued interest or accrued dividends;

II. 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 in good faith in its reasonable judgment; and

III. in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation 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 in good faith in its reasonable judgment.

B. Rights and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4(g)(iii), relating to Rights and Convertible Securities, shall be determined by dividing:

I. the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Rights 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 Corporation upon the exercise of such Rights or the conversion or exchange of such Convertible Securities, by

II. 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 Rights or the conversion or exchange of such Convertible Securities.

h. Minimum Adjustments. Anything in this Section 4 to the contrary notwithstanding, adjustments to the Conversion Price hereunder shall be made to the nearest quarter of a cent (\$0.0025).

i. Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense

shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder, if any, of Preferred Stock a certificate setting forth such adjustment or readjustment and shall file a copy of such certificate with its corporate records. Despite such adjustment or readjustment, the form of each or all Preferred Stock certificates, if the same shall reflect the initial or any subsequent conversion price, need not be changed in order for the adjustments or readjustments to be valued in accordance with the provisions of this Section 4 which shall control.

#### 5. Mandatory Conversion.

a. Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$25,000,000 of net proceeds to the Corporation or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least two-thirds of the then outstanding shares of Preferred Stock voting together as a single class on an as-converted to Common Stock basis (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "Mandatory Conversion Time"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable Conversion Price, and (ii) such shares may not be reissued by the Corporation.

b. Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5a, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5b. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as

provided in Subsection 4 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. No Reissuance of Preferred Stock. No share or shares of 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. The Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of the Preferred Stock accordingly.

7. Amendments to Charter. The Corporation will not amend these Amended and Restated Articles of Incorporation or the Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A Preferred Stock without the approval of the holders of a majority of the then outstanding shares of Series A Preferred Stock; provided, however, that authorizing a new series of Preferred Stock or other equity securities having rights senior to the Series A Preferred Stock will not be deemed to adversely affect the powers, preferences or rights of the Series A Preferred Stock. In addition, the Corporation will not amend these Amended and Restated Articles of Incorporation or the Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A1 Preferred Stock without the approval of the holders of a majority of the then outstanding shares of Series A1 Preferred Stock; provided, however, that subject to approval by the holders of Series A1 Preferred Stock to the extent required by Subsection 8(a), authorizing a new series of Preferred Stock or other equity securities having rights senior to the Series A1 Preferred Stock will not be deemed to adversely affect the powers, preferences or rights of the Series A1 Preferred Stock.

8. Restrictions on Certain Corporate Actions. The Corporation shall not, without the prior affirmative approval of the holders of a majority of the then outstanding shares of Series A1 Preferred Stock take any of the following actions:

- a. authorize a new series of Preferred Stock or other equity security having rights senior to the Series A1 Preferred Stock;
- b. redeem or repurchase any shares of the Corporation's capital stock, other than in accordance with these Amended and Restated Articles of Incorporation or pursuant to the Corporation's right of repurchase of founder, employee, consultant or other shares at their original cost pursuant to a right or agreement that has been approved by the Board; or
- c. change the number of directors constituting the full Board.



## 9. Notices.

### a. In the event of:

i. any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

ii. any Liquidation Event or Deemed Liquidation Event, then and in each such event the Corporation shall deliver to each holder of Preferred Stock a notice specifying (1) the date on which any such record is to be taken for the purpose of such right and a description of such right, (2) the date on which any such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up is expected to become effective and (3) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up. Such notice shall be delivered at least ten (10) business days prior to the date specified in such notice on which such action is to be taken.

b. All notices delivered under the terms of the Preferred Stock, for any purpose, to any holder of Preferred Stock will be sent by facsimile transmission, prepaid overnight courier or first class or registered mail, postage prepaid, to each record holder of Preferred Stock at such holder's address last shown on the records of the transfer agent for the Preferred Stock (or the records of the Corporation, if it serves as its own transfer agent).

## 10. Redemption.

A. General. Unless prohibited by Florida law governing distributions to stockholders, shares of Preferred Stock shall be redeemed by the Corporation at a price equal to the applicable Preferred Liquidation Preference of a single share of Preferred Stock as of the date of the Corporation's receipt of the Redemption Request (the "**Redemption Price**"), commencing not more than sixty (60) days after receipt by the Corporation at any time on or after December 31, 2023, from the holders of a majority of the then outstanding shares of Series A1 Preferred Stock, of written notice requesting redemption of all shares of Preferred Stock (the "**Redemption Request**"). Upon receipt of a Redemption Request, the Corporation shall apply all of its assets to any such redemption, and to no other corporate purpose, except to the extent prohibited by Florida law governing distributions to stockholders. The date of such redemption shall be referred to as the "**Redemption Date**." On the Redemption Date, the Corporation shall redeem all shares of Preferred Stock. If on the Redemption Date Florida law governing distributions to stockholders prevents the Corporation from redeeming all shares of Preferred Stock to be redeemed, the Corporation shall ratably redeem first, the maximum number of shares of Series A1 Preferred Stock that it may redeem consistent with such law, and second, the maximum number of shares of Series A Preferred Stock that it may redeem consistent with such law, and shall redeem the remaining shares in the

same order of priority as soon as it may lawfully do so under such law; provided, however, that any holder of shares of Series A1 Preferred Stock that is not redeemed on the Redemption Date may surrender such unredeemed shares of Series A1 Preferred Stock to the Corporation in which event the Corporation shall issue to such holder a demand promissory note in an original principal amount equal to the aggregate Preferred Liquidation Preference of such surrendered shares, accruing interest from the issuance date thereof at the rate of six percent (6%) per annum and otherwise in form and substance reasonably satisfactory to the Corporation and such holder.

B. Redemption Notice. The Corporation shall send written notice of the mandatory redemption (the "**Redemption Notice**") to each holder of record of Preferred Stock not less than forty (40) days prior to the Redemption Date. Each Redemption Notice shall state:

the number of shares of Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice;

the Redemption Date and the Redemption Price;

the date upon which the holder's right to convert such shares terminates; and

for holders of shares in certificated form, that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed.

C. Surrender of Certificates; Payment. On or before the Redemption Date, each holder of shares of Preferred Stock to be redeemed on the Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall, if a holder of shares in certificated form, surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate, instrument, or book entry representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder.

D. Rights Subsequent to Redemption. If the Redemption Notice shall have been duly given, and if on the Redemption Date the Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on the Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that any certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after the Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of any such certificate or certificates therefor.

**FIFTH:** No director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for any breach of fiduciary duty by such director as a director, provided, however, a director shall be liable to the extent provided by applicable law (i) for a breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article shall apply to or have any effect on the liability of alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal of these provisions.

**SIXTH:** To the fullest extent permitted by applicable law, the Corporation shall provide indemnification of (and advancement of expenses to) directors and officers of the Corporation through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Florida Business Corporation Law. To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) employees and agents of the Corporation (and any other persons to which the Florida Business Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Florida Business Corporation Law. Any amendment, repeal or modification of the foregoing provisions of this Article shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

**SEVENTH:** The number of directors shall be fixed by or in the manner provided in Article Four. Election of directors need not be by ballot unless the Bylaws so provide. The Corporation may not amend its Bylaws without the approval of the holders of a majority of the then outstanding shares of Preferred Stock voting together as a single class on an as-converted to Common Stock basis.

**EIGHTH:** No holder of shares of capital stock of the Corporation shall have the preemptive right to purchase, subscribe for, or otherwise acquire any shares of capital stock of the Corporation, any securities convertible into stock, or any warrants or other instruments evidencing rights or options to subscribe for, purchase or otherwise acquire such shares, of any class whatsoever, whether now or hereafter authorized, and whether issued for cash, property, services, by way of dividends, or otherwise. The foregoing provisions are not intended to

modify or prohibit any provisions of any voting trust or any agreement between or among holders or owners of shares of stock or other securities of the Corporation.

**NINTH:** The duration of the Corporation is perpetual.

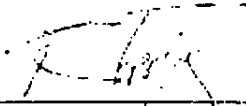
**TENTH:** All cumulative voting rights are hereby denied, so that neither the Common Stock nor any Preferred Stock of the Corporation shall carry with it, nor any holder or owner of any share of such stock have, the right to cumulative voting in the election of directors or for any other purpose.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by the Corporation this 19<sup>th</sup> day of December, 2016.

Hoverfly Technologies, Inc.

By

  
Robert T. Topping, Chief Executive Officer