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**FOURTH AMENDED AND RESTATED**

**ARTICLES OF INCORPORATION**

**OF**

**WESTON INSURANCE HOLDINGS CORPORATION**  
**(the "Company")**

**Document Number: P11000029873**

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida Profit Corporation adopts the following Fourth Amended and Restated Articles of Incorporation ("Articles of Incorporation") as approved by Unanimous Written Consent of the Sole Shareholder of the Company effective May 22, 2012.

**ARTICLE I**

**Name of Corporation**

The name of the corporation is:

WESTON INSURANCE HOLDINGS CORPORATION

**ARTICLE II**

**Principal Place of Business & Mailing Address**

The principal place of business address for the Company is:

515 East Park Ave.  
Tallahassee, FL US 32301

The mailing address of the Company is:

515 East Park Ave.  
Tallahassee, FL US 32301

**ARTICLE III**

**Purpose**

The purpose for which the Company is organized is:

ANY AND ALL LAWFUL BUSINESS

**ARTICLE IV**

**Capitalization**

1. Classes of Stock. The number and classes of shares of stock the Company is authorized to issue is:

- a. 3,500 voting common shares at one cent (\$0.01) par value ("Voting Common Stock");
- b. 400 non-voting common shares at one cent (\$0.01) par value ("Non-Voting Common Stock") (Voting Common Stock and Non-Voting Common Stock are collectively referred to herein as "Common Stock");
- c. 1,750 non-voting Series A Preferred Shares at one cent (\$0.01) par value ("Series A Preferred Stock");
- d. 500 non-voting Series B Preferred Shares at one cent (\$0.01) par value ("Series B Preferred Stock"); and
- e. 250 non-voting Series C Preferred Shares at one cent (\$0.01) par value ("Series C Preferred Stock") (the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock are collectively referred to herein as the "Preferred Stock").

2. Rights, Privileges and Preferences of Common Stock.

- a. Each holder of Voting Common Stock shall be entitled to one vote for each share of Voting Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote, including the election of directors. Directors shall be elected by a vote of the majority votes cast with respect to shares present at a meeting at which a quorum is present. In the event an incumbent director does not receive the requisite number of votes, his or her term shall expire on the earlier of (1) 90 days from the date on which the voting results are determined or (2) the date on which an individual is selected by the board to fill the office held by such director, which selection would be deemed to constitute the filling of the vacancy by the board.
- b. Non-Voting Common stock shall be non-voting but in all other respects shall be identical to Voting Common Stock.
- c. Out of any funds of the Company legally available for dividends and remaining after full cumulative dividends upon all series of Preferred Stock then outstanding shall have been paid or set apart for payment for all past dividends periods and the current dividend period, then, and not otherwise, the Board of Directors may declare and pay or set apart for payment dividends on Common Stock, and the holders of Preferred Stock shall not be entitled to share therein.

3. Rights, Privileges and Preferences of Preferred Stock. The preferences, limitations and relative rights of the preferred shares of each series and as to the common shares are as follows:

- a. All Preferred Stock, regardless of series, shall be identical, except in each case as to the rights of first refusal and conversion rights, as to which the Board of Directors may fix and determine variations among the different

series of each class. Preferred Stock shall be non-voting.

Notwithstanding the foregoing: (i) as long as any Preferred Stock shall be outstanding, the Company will not, without the affirmative vote or consent in writing of at least two-thirds of the outstanding Preferred Stock, amend these Articles of Incorporation for the purpose of, or take any other action to, (A) increase the aggregate number of Preferred Stock or shares of any other class ranking as to dividends or assets on a parity with or prior to the Preferred Stock, (B) change the designations, preferences, limitations, voting or other relative rights of the Preferred Stock or of any outstanding series of Preferred Stock, (C) effect an exchange, reclassification or cancellation of all or part of the Preferred Stock, (D) change the Preferred Stock into the same or a different number of shares, with or without par value of the same or any other class, or (E) cancel or otherwise affect dividends on the shares of any series of Preferred Stock which have accrued but have not been declared.

- b. Out of the funds the Company legally has available for payment of dividends, the holders of Preferred Stock shall be entitled to receive dividends calculated on a yearly basis at a rate equal to the interest rate on 5-year U.S. Treasury Notes plus 475 basis points, adjusted annually from the anniversary of the Initial Closing Date (as hereinafter defined), times the Invested Amount (as hereinafter defined). "Initial Closing Date" shall mean (i) with respect to holders of Series A Preferred Stock and Series B Preferred Stock, the date such a Preferred Stock holder pays to the Company the initial portion of the purchase price for the total number of shares such Preferred Stock holder agreed to purchase under any investment agreement relating to the original purchase of such Preferred Stock and (ii) with respect to holders of Series C Preferred Stock, the date such a Preferred Stock holder pays to the Company the full amount of the purchase price for the total number of shares such Preferred Stock holder agreed to purchase under any investment agreement relating to the original purchase of such Preferred Stock. "Invested Amount" means the total purchase price of the Preferred Stock paid for and held by a Preferred Stock holder. Dividends shall accrue and be paid in quarterly installments. Dividends on the preferred shares shall not be subject to a cap. The Company may, at its option, elect to defer the payment of dividends in which case dividends will accrue until payment thereof or redemption, liquidation or conversion of the preferred shares. Accrued and unpaid dividends on the Preferred Stock shall not bear interest.
- c. In the event of voluntary or involuntary liquidation of the Company, before any distribution of the assets shall be made to the holders of any class of shares that are subordinate to the Preferred Stock, the holders of the Preferred Stock of each series shall be entitled to receive out of the assets of the Company available for distribution to its shareholders the sum of (i) the amount per share not to exceed in total the purchase price of the

Preferred Stock plus (ii) the amount per share equal to all accrued and unpaid dividends thereon, such sum constituting the "Preferential Amount" for the Preferred Stock. If, in the event of such liquidation, the assets of the Company available for distribution to its shareholders shall be insufficient to permit full payment to the holders of the Preferred Stock of each series of their respective Preferential Amounts, then such assets shall be distributed ratably among such holders in proportion to their respective Preferential amounts. If, in the event of such liquidation, the holders of the Preferred Stock of each series shall have received full payment of their respective Preferential Amounts, the holders of the common shares shall be entitled, to the exclusion of the holders of the Preferred Stock of each series, to share ratably in all remaining assets of the Company available for distribution to shareholders. Neither the consolidation nor merger of the Company with or into any other corporation or corporations, the sale or lease of all or substantially all assets of the Company, nor the merger or consolidation of any other corporation into and with the Company, shall be deemed to be a voluntary or involuntary liquidation.

- d. Holders of Preferred Stock shall have board observation rights as long as they own at least 5% of the total equity of the Company (on an as-converted basis), and shall, as long as a shareholder, have commercially reasonable access to the Company's records.
- e. Holders of Preferred Stock shall have conversion rights as follows:
  - i. In the event (i) of a default by the Company under an investment agreement pursuant to which the holder of Preferred Stock purchased such stock, or (ii) that Company's subsidiary, Weston Insurance Company ("WIC"), does not maintain a Financial Stability Rating from A.M. Best of "B" or higher, or a rating from Standard & Poor's of "BBB" or higher or A.M. Best or Standard & Poor's ceases to provide WIC with a Financial Stability Rating for any reason (except in the case where Weston requests Standard & Poor's to withdraw its rating of Weston Insurance Company after it has secured at least an "A-" Financial Strength Rating from A.M. Best for Weston Insurance Company, in which case this same subsection shall apply to WIC's A.M. Best rating except that the minimum threshold shall be "A-" and not "B"), or (iii) of a resolution of the Board of Directors of the Company after September 4, 2012 to change the Company's capital structure by more than 10% of the capital raised by the Company prior to September 4, 2012, in which case the Company shall notify all Preferred Stock holders of the aforementioned resolution in writing at least 30 days prior to the change of capital structure taking effect, or (iv) of an agreement by the Company to sell an interest in the Company, whether through a

private sale or a Initial Public Offering of common stock, then Preferred Stock holders may at their option convert their Preferred Stock and any Non-Voting Common Stock the holder of Preferred Stock may own (collectively the "Investor's Stock") into voting Common Stock of the Company based on one of the conversion calculation options set forth below, subject to any required regulatory approval.

- ii. Upon or prior to paying the full purchase price for the Preferred Stock, each holder of Series A Preferred Stock or Series B Preferred Stock shall elect one of the two following calculation options to determine the amount of voting Common Stock into which the Investor's Stock may convert. Each Series A Preferred Stock holder and Series B Preferred Stock holder shall specify either "Conversion Option A" or "Conversion Option B" by written notice to the Company. In the event a Series A Preferred Stock holder or a Series B Stock holder does not specify their election upon or prior to paying the full purchase price for the Preferred Stock, the default election is Conversion Option A. The mandatory conversion calculation for all Series C Preferred Stock holders shall be as set forth in Conversion Option A:

- 1. Conversion Option A. The Investor's Stock shall convert to Voting Common Stock in the Company based on Conversion Date Share Equivalents (as hereinafter defined). Conversion Date Share Equivalents shall mean the number of shares retroactively adjusted for splits, dividends or distributions etc., in order to cause the Investor's Stock so converted to represent the same percentage of the Company's equity (both common and preferred) attributable to additional paid-in capital ("APIC") as existed on the date the Preferred Stock holder paid the full purchase price for the Investor's Stock (the "Final Funding Date"), adjusted only for permitted post-closing infusions of APIC by other shareholders of the Company ("Adjusted Book Value" shall mean the US GAAP tangible book value of the Company as adjusted by such permitted post-closing infusions of APIC) on or before September 4, 2012, net of any vested Non-Voting Common Stock allocated to the Company's management pursuant to the investment agreement by which the holder of the Preferred Stock purchased such stock. The Preferred Stockholder's percentage ownership of the Company at conversion shall equal (i) the Adjusted Book Value times (ii) the percentage ownership determined by Closing Date Share Equivalents, with such value then

divided by (iii) the US GAAP book value of the Company on the date the request is made to make such conversion.

2. Conversion Option B. The number of shares of voting Common Stock into which the Investor's Stock converts shall be such number of shares as represents:

- a. If the conversion right is exercised during the first twelve months after the holder's Final Funding Date, the lower of (i) the percentage of the voting ownership of the Company derived from the following formula:  $[(0.04 \times \text{the total purchase price for the holder's Preferred Stock}) / \$1,000,000]$  or (ii) the "As Converted Ownership Percentage," defined as the percentage derived from dividing the total purchase price for the holder's Preferred Stock by the total capital provided to the Company by (a) voting Common Stock capital, plus (b) Preferred Stock capital, as of September 4, 2012;
- b. If the conversion right is exercised during the second twelve months after the holder's Final Funding Date, the lower of (i) the percentage of the voting ownership of the Company derived from the following formula:  $[(0.032 \times \text{the total purchase price for the holder's Preferred Stock}) / \$1,000,000]$  or (ii) 80% of the As Converted Ownership Percentage;
- c. If the conversion right is exercised during the third twelve months after the holder's Final Funding Date, the lower of (i) the percentage of the voting ownership of the Company derived from the following formula:  $[(0.024 \times \text{the total purchase price for the holder's Preferred Stock}) / \$1,000,000]$  or (ii) 60% of the As Converted Ownership Percentage;
- d. If the conversion right is exercised during the fourth twelve months after the holder's Final Funding Date, the lower of (i) the percentage of the voting ownership of the Company derived from the following formula:  $[(0.016 \times \text{the total purchase price for the holder's Preferred Stock}) / \$1,000,000]$  or (ii) 30% of the As Converted Ownership Percentage;
- e. If the conversion right is exercised during the fifth twelve months after the holder's Final Funding

Date, the lower of (i) the percentage of the voting ownership of the Company derived from the following formula:  $[(0.01 \times \text{the total purchase price for the holder's Preferred Stock}) / \$1,000,000]$  or (ii) 25% of the As Converted Ownership Percentage.

- f. Each Preferred Stock holder shall have the right at its option to exercise the conversion right set forth in Section 3.e.ii.2.e. immediately above during the time period set forth therein regardless of whether any of the events set forth in Section 3.e.i(i) through (iii) above have occurred or not.
- iii. If a holder of Preferred Stock exercises the conversion right set forth herein, such Preferred Stock holder shall forfeit and forego the "Liquidation Preference" as defined and set forth in Section 3.f below, provided that the Company shall pay to such Preferred Stock holder any dividends that have accrued and are unpaid on the Preferred Stock prior to the date of the conversion.
- iv. The conversion of the Investor's Stock to Voting Common Stock or the acquisition of Voting Common Stock may be subject to regulatory approval pursuant to Section 628.461, Florida Statutes.
- f. Holders of Preferred Stock shall have a "Liquidation Preference" as defined and set forth as follows:
  - i. The "Liquidation Preference" is defined as and shall mean: The total purchase price of a holder's Preferred Stock net of the portion of such purchase price used as consideration for any vested Non-Voting Common Stock allocated to the Company's management pursuant to the investment agreement by which the holder of the Preferred Stock purchased such stock.
  - ii. The Company may, at any time and from time to time after the third anniversary and before the fifth anniversary of the issuance of any shares of Preferred Stock, redeem such shares in full for cash at a redemption price equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon, provided the Company has first obtained the written consent of the Preferred Stock holder to be redeemed. At any time and from time to time after the fifth anniversary of the issuance of any shares of Preferred Stock, the Company may redeem such shares without the written consent of the Preferred Stock holder at a redemption price equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon, but subject to the Preferred Stock holder's right



of conversion set forth in Section 3.e.ii.2.e. above in the event such Preferred Stock holder elects the Conversion Option B set forth in such Section 3.e.ii.2.e.

- iii. Redemption at the Election of Preferred Stock Holders. At any time and from time to time after the fifth anniversary of the issuance of any shares of a holder's series of Preferred Stock, the Company shall, within forty-five (45) days after the written election of a holder of Preferred Stock, redeem such shares in full for cash at a redemption price per share equal to the Liquidation Preference thereof plus any accrued and unpaid dividends thereon through and including the date of redemption.
4. Shares redeemed, purchased or otherwise reacquired, or surrendered to the Company on conversion, shall have the status of authorized and unissued shares of the class of which they were a part when initially issued and may be reissued as part of the same or a different series of the same class of which they were a part when initially issued; unless, as part of the action of the Board of Directors taken to create any series, the Board of Directors restricts the right of reissuance, in which case such restricted right will be operative.
5. The Company will keep its books of account in accordance with U.S. GAAP, and furnish the holder of Preferred Stock (or Common Stock upon conversion) unaudited quarterly financial statements within 60 days after the end of the first three fiscal quarters of each year and audited annual financial statements within 180 days after the end of each fiscal year, so long as the holder of Preferred Stock holds at least 5% of the total equity of the Company (on an as-converted basis). In addition, all shareholders will have standard inspection rights.

#### **ARTICLE V** **Registered Agent**

**The name and Florida street address of the registered agent is:**

NRAI Services, Inc.  
515 East Park Ave.  
Tallahassee, FL US 32301

#### **ARTICLE VI** **Indemnification**

The Company shall indemnify the members of its Board of directors and its officers to the full extent permitted by law. The Board of Directors is hereby specifically authorized to make such other provision for indemnification of directors, officers, employees and agents of the Company to the fullest extent permitted by law.

**These Fourth Amended and Restated Articles of Incorporation for the Company were adopted and are effective as of this 22 day of May, 2012.**

**These Fourth Amended and Restated Articles of Incorporation were adopted by the sole shareholder of the Company. The number of votes cast for adoption by the shareholder was sufficient for approval.**

**Dated: May 22, 2012**

A handwritten signature in black ink, appearing to read 'M. Lyons', is written above the signature line.

**Signed: \_\_\_\_\_**  
**Michael C. Lyons, President & Director**