

P120000016887

(Requestor's Name)

(Address)

(Address)

(City/State/Zip/Phone #)

☐ PICK-UP

☐ WAIT

☐ MAIL

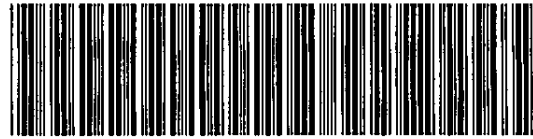
(Business Entity Name)

(Document Number)

Certified Copies _____ Certificates of Status _____

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Office Use Only



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Amend

03/21/14--01038--009 **43.75

FILED
2014 MAR 21 PM 1:51
CLERK OF STATE
TALLAHASSEE, FLORIDA

DR
3/24/14



Gilda R. De La Cruz
Tel. 561.955.7695
Fax 561.367.6295
delacruz@gtlaw.com

March 20, 2014

VIA OVERNIGHT MAIL

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

Re: Searl Technology, Inc.

Dear Clerk:

Enclosed please find for filing the attached Articles of Amendment to Articles of Incorporation form. I am enclosing a check in the amount of \$43.75 for cost fee, and a stamped envelope for return copy.

Thank you for your prompt attention.

Very truly yours,

Gilda R. De La Cruz
Paralegal

ALBANY
AMSTERDAM
ATLANTA
AUSTIN
BOSTON
CHICAGO
DALLAS
DELAWARE
DENVER
FORT LAUDERDALE
HOUSTON
LAS VEGAS
LONDON*
LOS ANGELES
MEXICO CITY*
MIAMI
MILAN**
NEW JERSEY
NEW YORK
ORANGE COUNTY
ORLANDO
PALM BEACH COUNTY
PHILADELPHIA
PHOENIX
ROME**
SACRAMENTO
SAN FRANCISCO
SHANGHAI
SILICON VALLEY
TALLAHASSEE
TAMPA
TEL AVIV*
TYSONS CORNER
WARSAW*
WASHINGTON, DC
WHITE PLAINS

*OPERATES AS
GREENBERG TRAURIG (NEW YORK)
**OPERATES AS
GREENBERG TRAURIG, S.C.
*A BRANCH OF
GREENBERG TRAURIG, P.A.
FLORIDA L.L.P.
*STRATEGIC ALLIANCE
*OPERATES AS
GREENBERG TRAURIG GREENMAN, S.P.A.

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: Searl Technology, Inc.

DOCUMENT NUMBER: P12000016887

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

Please return all correspondence concerning this matter to the following:

Rebecca DiStefano

Name of Contact Person

Greenberg Traurig, P.A.

Firm/ Company

5100 Town Center Cir., Suite 400

Address

Boca Raton, FL 33486

City/ State and Zip Code

distefanor@gtlaw.com

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

For further information concerning this matter, please call:

Rebecca DiStefano

Name of Contact Person

at (561) 955-7654

Area Code & Daytime Telephone Number

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

☐ \$35 Filing Fee

☐ \$43.75 Filing Fee &
Certificate of Status

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

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

Mailing Address

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

Street Address

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

Articles of Amendment
to
Articles of Incorporation
of

Searl Technology, Inc.

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

P12000016887

(Document Number of Corporation (if known))

FILED
2014 MAR 21 PM 1:51
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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

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

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

B. Enter new principal office address, if applicable:

(Principal office address MUST BE A STREET ADDRESS)

C. Enter new mailing address, if applicable:

(Mailing address MAY BE A POST OFFICE BOX)

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

Name of New Registered Agent

(Florida street address)

New Registered Office Address:

(City)

Florida

(Zip Code)

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

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

Signature of New Registered Agent, if changing

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

(Attach additional sheets, if necessary)

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

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

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

Example:

☒ Change PT John Doe

☒ Remove V Mike Jones

☒ Add SV Sally Smith

Type of Action (Check One)	Title	Name	Address
1) <input type="checkbox"/> Change	_____	_____	_____
<input type="checkbox"/> Add	_____	_____	_____
<input type="checkbox"/> Remove	_____	_____	_____
2) <input type="checkbox"/> Change	_____	_____	_____
<input type="checkbox"/> Add	_____	_____	_____
<input type="checkbox"/> Remove	_____	_____	_____
3) <input type="checkbox"/> Change	_____	_____	_____
<input type="checkbox"/> Add	_____	_____	_____
<input type="checkbox"/> Remove	_____	_____	_____
4) <input type="checkbox"/> Change	_____	_____	_____
<input type="checkbox"/> Add	_____	_____	_____
<input type="checkbox"/> Remove	_____	_____	_____
5) <input type="checkbox"/> Change	_____	_____	_____
<input type="checkbox"/> Add	_____	_____	_____
<input type="checkbox"/> Remove	_____	_____	_____
6) <input type="checkbox"/> Change	_____	_____	_____
<input type="checkbox"/> Add	_____	_____	_____
<input type="checkbox"/> Remove	_____	_____	_____

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

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

See attached Articles of Amendment to the Restated Articles of Incorporation of

Searl Technology, Inc.

Certificate of Designation, Preferences, Rights and Limitations

of Series B Preferred Stock

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

(If not applicable, indicate N/A)

N/A

The date of each amendment(s) adoption: July 29, 2013, if other than the date this document was signed.

Effective date if applicable: July 29, 2013
(no more than 90 days after amendment file date)

Adoption of Amendment(s) (CHECK ONE)

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

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


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

by _____."
(voting group)

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

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

Dated March 19, 2014

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

Philip H. Talbert

(Typed or printed name of person signing)

Chairman and Chief Executive Officer

(Title of person signing)

**ARTICLES OF AMENDMENT TO THE
RESTATED ARTICLES OF INCORPORATION OF
SEARL TECHNOLOGY, INC.**

**CERTIFICATE OF DESIGNATION, PREFERENCES, RIGHTS AND LIMITATIONS
OF SERIES B PREFERRED STOCK**

Pursuant to Section 607.1006 of the Florida Business Corporation Act, the undersigned, being the Chairman and Chief Executive Officer of SEARL TECHNOLOGY, INC., a Florida corporation (the "Corporation"), does hereby submit these Articles of Amendment for the purpose of amending the Corporation's Restated Articles of Incorporation as follows:

FIRST: The Restated Articles of Incorporation of the Corporation authorize the issuance of One Hundred Million (100,000,000) shares of common stock, without par value per share (the "Common Stock"), Ten Million (10,000,000) shares of Class B common stock, without par value per share (the "Class B Common Stock") and Ten Million (10,000,000) shares of preferred stock (the "Preferred Stock") and further, authorizes the Board of Directors of the Corporation, by resolution or resolutions, at any time and from time to time, to divide and establish two series, up to Five Million (5,000,000) each, of the shares of Preferred Stock, as Series A preferred stock and Series B preferred stock, respectively, without limiting the generality of the foregoing, to fix and determine the designation of each such share, and its preferences, conversion rights, cumulative, relative, participating, optional, or other rights, including voting rights, qualifications, limitations, or restrictions thereof.

SECOND: On November 30, 2012, the Board of Directors approved by unanimous written consent, the designation of Five Million (5,000,000) shares of the Preferred Stock as Series A Preferred Stock and authorized the issuance of the Series A Preferred Stock, without par value per share. The designations, powers, preferences and rights, and the qualifications, limitations or restrictions hereof, in respect of the Series A Preferred Stock shall be as hereinafter described in this Certificate of Designation (the "Series A Preferred Stock Designation").

THIRD: On July 29, 2013, the Board of Directors approved, by unanimous written consent, the designation of Five Million (5,000,000) shares of the Preferred Stock as Series B Preferred Stock and authorized the issuance of the Series B Preferred Stock, without par value per share. The designations, powers, preferences and rights, and the qualifications, limitations or restrictions hereof, in respect of the Series B Preferred Stock shall be as hereinafter described in this Certificate of Designation (the "Certificate of Designation").

Accordingly, "Article VI" of the Restated Articles of Incorporation of this Corporation is amended to include the following:

Series B Preferred Stock

1. **Designation.** The designation of the series of preferred stock created hereby shall be "Series B Preferred Stock" (the "Series B Preferred Stock") and the number of shares constituting the Series B Preferred Stock shall be Five Million shares (5,000,000), without a par value per share ("Par Value"). Such number of shares may from time to time be decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by the Board of Directors (or a duly authorized committee of the Board of Directors) by a certificate executed, acknowledged and filed with the Secretary of State of the State of Florida setting forth a statement that a specified decrease therein has been authorized and directed by a resolution duly adopted by the Board of Directors (or a duly authorized committee of the Board of Directors). In case the number of authorized shares of the Series B Preferred Stock shall be so decreased, the number of shares so specified in the certificate shall resume the status of authorized but unissued shares of preferred stock, undesignated as to series. Shares of Series B Preferred Stock that are redeemed, purchased or otherwise acquired by the Corporation shall be cancelled and shall revert to authorized but unissued shares of preferred stock, undesignated as to series.

2. **Dividends.** Except for certain Annual Cumulative Dividend preferences for the Series A Preferred Stock (as defined in the Series A Preferred Stock Designation) issued pursuant to a 2012 Private Placement offering, the Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation unless (in addition to the obtaining of any consents required elsewhere in the Restated Articles of Incorporation) the holders of the Series B Preferred Stock then outstanding shall first receive, or simultaneously receive, all such annual Dividends.

3. **Liquidation Preference.** In the event of any Liquidation Event (defined hereunder), whether voluntary or otherwise, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the Series B Preferred Stock shall be entitled to receive, before the holders of any of the Common Stock or other classes of Preferred Stock of the Corporation ranking junior thereto, out of the remaining net assets of the Corporation, \$1.00 per share of the Series B Preferred Stock plus any accrued but unpaid dividends (the "Liquidation Preference"), or, in the alternative, to convert their shares to the Common Stock of the Corporation at the Conversion Ratio (defined hereunder). After such payment or conversion, as the case may be, shall have been made in full to the holders of the outstanding Series B Preferred Stock, or funds or assets necessary for such payment shall have been set aside in trust for the account of the holders of the outstanding Series B Preferred Stock, so as to be and continue to be available therefore, the holders of the outstanding Series B Preferred Stock shall be entitled to no further participation in such distribution of the assets of the Corporation; provided, however, that in the event that the Corporation creates a series of Preferred Stock, that after the payment of the Liquidation Preference to the holders of the Series B Preferred Stock, which holders have the right to participate in the remaining assets of the Corporation, the holders of the Series B

Preferred Stock shall be entitled to such participation on a pro-rata basis with the holders of the later designated series of Preferred Stock.

In the event that, after payment or provision for payment of the debts and other liabilities of the Corporation and preferences or other rights granted to the holders of Series B Preferred Stock, the remaining net assets of the Corporation are not sufficient to pay the liquidation preference of the holders of the Series B Preferred Stock, then no such distribution shall be made on account of any shares of any other class or series of capital stock of the Corporation ranking on a parity with the shares of the Series B Preferred Stock upon such liquidation, unless proportionate distributive amounts shall be paid on account of each share of the Series B Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares, including other shares of Series B Preferred Stock, are respectively entitled upon such liquidation.

A "Liquidation Event" shall be defined as (i) the voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation; (ii) the commencement by the Corporation of a voluntary case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or similar law, the consent to the entry of an order for relief in an involuntary case under such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, the making of an assignment by the Corporation for the benefit of its creditors, the entry of a decree or order for relief in respect of the Corporation by a court having jurisdiction in the premises in an involuntary case under the federal bankruptcy laws or any other applicable federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property; (iii) any consolidation or merger of the Corporation in which the Corporation is not the surviving entity and its shareholders do not control the surviving entity; (iv) a sale of all or substantially all of the assets of the Corporation in one transaction or a series of related transactions (other than a public offering of the Corporation's securities); or (v) any other transaction or series of related transactions in which substantially all control of the Corporation or its property is transferred to an unrelated third party.

4. Conversion of Series B Preferred Stock.

Voluntary Conversion. The Series B Preferred Stock, in aggregate, shall be convertible into shares of the Corporation's Common Stock on a one-to-one basis (1:1) (the "Conversion Ratio") as set forth below at any time at the election of the holder of the Series B Preferred Stock. In order to convert the shares of Series B Preferred Stock into Common Stock, the holder shall surrender at the office of the Chief Executive Officer for the Corporation, a certificate(s) therefore, duly endorsed to the Corporation or in blank, and give written notice to the Corporation at said office that he or she elects to convert such shares. Shares

of the Series B Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the date of surrender of such shares for conversion, and the person(s) entitled to receive shares of Common Stock issuable upon such conversion shall be treated, for all purposes, as the record holder(s) of such shares of Common Stock at such time. The Series B Preferred Stock shall be convertible, at the option of the holder into the shares of the Common Stock without any additional consideration by the holder to effectuate the conversion.

Mandatory Conversion. At any time after December 31, 2014, upon a triggering event set forth in the following sentence, the Series B Preferred Stock, shall mandatorily convert, in whole but not in part, into shares of Common Stock at the Conversion Ratio and in accordance with the provisions of Section 4 hereof. The mandatory conversion of the Series B Preferred Stock pursuant to this Section 4 will occur only (i) upon the closing of an underwritten initial public offering of the Corporation's Common Stock with a market capitalization of not less than \$10.0 million yielding total aggregate proceeds of at least \$3.0 million; (ii) upon the vote of the holders of the majority of the Series B Preferred Stock, or (iii) in the event of the closing of a non-underwritten (Direct) public offering of the capital stock of the Corporation.

Terms of Voluntary or Mandatory Conversions. Any voluntary or mandatory conversion of Series B Preferred Stock into Common Stock pursuant to this Section 4 shall be subject to the following additional terms and provisions: (i) the Corporation shall not be required to issue any fractions of shares of the Common Stock upon conversion of the Series B Preferred Stock into Common Stock; (ii) in the event that the Corporation shall at any time subdivide or combine in a greater or lesser number of shares the outstanding shares of Common Stock, upon conversion the Series B Preferred Stock will convert into the issued and outstanding shares of Common Stock, as adjusted; (iii) the holder of Series B Preferred Stock will not receive a distribution in the event that the Corporation shall at any time pay to the holders of Common Stock a dividend in Common Stock or otherwise makes a distribution on the Common Stock until such a time when the Series B Preferred Stock have been converted into Common Stock; (iv) no adjustment of the Conversion Price shall be made by any event or occurrence other than those enumerated in this section; and (v) as promptly as practicable after any conversion, the Corporation shall issue and deliver at said offices a certificate(s) for the number of full shares of the Common Stock issuable upon any such conversion, to the person(s) entitled to receive the same. The Corporation shall issue the certificate(s) for Common Stock in the name(s) so designated with such legends affixed or restrictions imposed as required by federal, state or jurisdictional securities laws as determined by legal counsel for the Corporation; provided that the Corporation is not advised by its counsel that the issuance of such certificate(s) would be in violation of federal, state or jurisdictional securities law. The issuance of certificates for shares of Common Stock upon conversion of any shares of the Series B Preferred Stock shall be made without charge for any tax in respect of such issuance. However, if any

certificate is to be issued in a name other than that of the holder of record as the Series B Preferred Stock so converted, the person or persons requesting, the issuance thereof shall pay to the Corporation the amount of any tax which may be payable in respect of any transfer involved in such issuance, or shall establish to the satisfaction of the Corporation that such tax has been paid or is not due and payable.

5. **Adjustments. Stock Splits.** If, at any time after the original issuance date of the Series B Preferred Stock, the Corporation subdivides or combines the Common Stock, (A) in the case of a subdivision (including a stock split), the Conversion Ratio of the Series B Preferred Stock in effect immediately prior to such event shall be proportionately decreased and (B) in the case of a combination (including a reverse stock split), the Conversion Ratio of the Series B Preferred Stock in effect immediately prior to such event shall be proportionately increased. Any adjustment under this Section 5 shall become effective at the time the subdivision or combination becomes effective. In the event of any stock split or combination of the outstanding shares of Common Stock of the Corporation then the Corporation shall file with its corporate records and mail to the holders of the Series B Preferred Stock at their last address as shown on the records of the Corporation, at least ten (10) days prior to the record date specified in (A) or (B) below, a notice stating:

(A) the record date of such stock split or combination or, if a record is not to be taken, the date as of which the holders of the applicable class or classes of Common Stock of record to be entitled to such stock split or combination are to be determined; or

(B) the date on which such stock split or combination is expected to become effective, and the date as of which it is expected that holders of the applicable class or classes of Common Stock of record will be entitled to exchange their shares of Common Stock for the capital stock, other securities or other property (including not limited to cash and evidences of indebtedness) deliverable upon the stock split or combination of shares of Common Stock of the Corporation.

Additional Stock. If, at any time after the original issuance date of the Series B Preferred Stock, the Corporation shall issue any additional capital stock of the Corporation without consideration or for a consideration less than the Conversion Ratio in effect on the date of and immediately prior to such issuance (or in the case of options and similar securities, the sum of the consideration received for the option and the consideration to be received upon exercise of such option), the Conversion Ratio shall be reduced, concurrently with such issue, to a Conversion Ratio (calculated to the nearest cent) determined by multiplying such Conversion Ratio by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares of Common Stock which the aggregate consideration received

by the Corporation for the total number of shares of Additional Stock so issued would purchase at such Conversion Ratio; and the denominator of which shall be the number of Common Shares outstanding immediately prior to such issue plus the number of shares of Additional Stock so issued; provided, however, that, for the purposes of this Section 5, all shares of Common Stock issuable upon conversion of all outstanding Series B Preferred Stock shall be deemed to be outstanding. "Additional Stock" as used herein shall mean any shares of Common Stock issued (or deemed to have been issued) or rights, warrants, options or other derivative securities convertible into or exchangeable for Common Stock (including shares of Common Stock held in the Corporation's treasury) by the Corporation after the date hereof, other than: (A) Common Stock issued or issuable upon conversion of the Series B Preferred Stock or underlying any warrants issued to holders of the Series B Preferred Stock; (B) Common Stock issued or issuable upon the exercise of any securities issued prior to the original issue date to holders of the Series B Preferred Stock; and (C) any stock issued as a dividend or distribution on the securities of the Corporation.

6. **Ranking.** As long as any shares of the Series B Preferred Stock remain outstanding, the Corporation shall not, without obtaining the affirmative vote of not less than a majority of the holders of Series B Preferred Stock outstanding at the time such amendment is proposed, create, authorize or issue any other class or series of capital stock of the Corporation, the terms of which provide that such class or series shall rank prior to the Series B Preferred Stock in respect to rights upon dissolution, liquidation or winding up of the Corporation; provided, however, the Corporation may at any time create, authorize or issue, without the consent of any of the holders of the Series B Preferred Stock, other classes or series of capital stock which rank junior to, or on parity with, the Series B Preferred Stock in respect to dissolution, liquidation or winding up of the Corporation.

7. **Amendments.** This Certificate of Designation may be amended only upon both (i) the affirmative vote of not less than a majority of the holders of Series B Preferred Stock outstanding at the time such amendment is proposed, and (ii) the affirmative vote of not less than a majority of the directors of the Corporation then holding office and entitled to vote on such amendment.

8. **Voting Rights.** The holders of Series B Preferred Stock shall have the right to one vote for each share of Common Stock into which such share of Series B Preferred Stock could then be converted, and with respect to such vote such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of shares of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any shareholders' meeting in accordance with the by-laws of the Corporation, and shall be treated for all purposes (including, without limitation, the determination of the presence of a quorum), and entitled to vote, together with holders of Common Stock as a single class, with respect to any issue, election, question or matter upon which holders of Common Stock have the right to vote. Each issued and outstanding share of

Series B Preferred Stock shall be entitled to one vote if entitled to vote as a separate class and the holders of a majority of the Series B Preferred Stock entitled to vote shall bind the entire class of Series B Preferred Stock. The Corporation shall give the holders of the Series B Preferred Stock at least 20 days' prior notice of any matter to be submitted to the Series B Preferred shareholders for a vote as a separate class.

9. **Preemptive/Subscription Rights.** The Series B Preferred Shares are entitled to preemptive and subscription rights with respect to any capital stock of the Corporation, regardless of how such securities may be designated, issued or granted. In addition, each holder of Series B Preferred Stock shall retain a right of first refusal to fund his or her pro-rata share of any future sales of the Series B Preferred Stock.

10. **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 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 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 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 purposes.

11. **Registration Rights.** If (but without any obligation to do so) the Corporation proposes to register (including for this purpose a registration effected by the Corporation for holders of capital stock other than the holders of the Series B Preferred Stock) any of its stock under the Securities Act of 1933, as amended (the "Securities Act") in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Corporation stock plan or a transaction covered by Rule 145 under the Securities Act, a registration in which the only stock being registered is Common Stock issuable upon conversion of debt securities which are also being registered, or any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of Common Stock issuable upon the conversion of the Series B Preferred Stock (the "Registrable Securities"), the Corporation shall, at such time, promptly give each holder of the Series B Preferred Stock written notice of such registration. Upon the written request of each holder given within 20 days after mailing of such notice by the Corporation, the Corporation shall, subject to the cut back provisions of the following paragraph, cause to be registered under the Securities Act all of the Registrable Securities that each such holder has requested to be registered.

In connection with any offering involving an underwriting of shares of the Corporation's capital stock, the Corporation shall not be required to include any of the holder's securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Corporation and the underwriters selected by it (or by other persons entitled to select the underwriters), and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Corporation. If the total amount of securities, including Registrable Securities, requested by holders of capital stock to be included in such offering exceeds the amount of securities sold other than by the Corporation that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Corporation shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling security holders according to the total amount of securities entitled to be included therein owned by each selling security holder or in such other proportions as shall mutually be agreed to by such selling security holders) but in no event shall the amount of securities of the selling holders included in the offering be reduced below 20% of the total amount of securities included in such offering. For purposes of the preceding parenthetical concerning apportionment, for any selling security holder which is a holder of Registrable Securities and which is a partnership or corporation, the partners, retired partners and holders of capital stock of such holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling security holder," and any pro-rata reduction with respect to such "selling security holder" shall be based upon the aggregate amount of shares carrying registration rights owned by all entities and individuals included in such "selling security holder," as defined in this sentence.

12. Co-Sale ("Tag-Along") Right. If a Significant Holder (defined hereunder) receives one or more bona fide offers, which it proposes to accept, from any person(s) to purchase or otherwise transfer all or any of its capital stock of the Corporation, the Significant Holder shall notify the Corporation and the holders of the Series B Preferred Stock in writing of the terms and conditions of such offer (the "Offer Notice") within ten (10) business days of receiving the offer and at least fifteen (15) Business Days prior to the anticipated closing of such transaction. Such Offer Notice shall set forth: (a) the Significant Holder's bona fide intention to transfer such stock; (b) the amount of stock of the Significant Holder (on an as-converted basis after giving effect to the exercise or conversion, as applicable, of all derivative securities) to be transferred pursuant to the offer (the "Co-Sale Stock"); (c) the name, address and relationship, if any, to the Significant Holder of each proposed purchaser or other transferee; (d) the bona fide cash price or, in reasonable detail, other consideration, upon which the Significant Holder proposes to transfer such stock; and (e) the anticipated closing date of such transaction. Upon the request of the Corporation, the Significant Holder will promptly furnish such information to the Corporation and the holders

of the Series B Preferred Stock, as may be reasonably requested to establish that the offer and proposed transferee are bona fide. Within fifteen (15) business days after delivery of the Offer Notice and, in any event, at least five (5) business days prior to the anticipated closing date of the transaction described in the Offer Notice, each holder of Series B Preferred Stock may elect to sell up to such person's pro rata share (as calculated below) of the Co-Sale Stock to be purchased by the transferee described in the Offer Notice (the "Co-Sale Right") by giving to the Significant Holder and the Corporation written notice of such election, including the maximum number of shares which such holder of Series B Preferred Stock wishes to sell. Any holder of Series B Preferred Stock who has properly elected to sell Series B Preferred Stock by exercising his, her or its Co-Sale Right is referred to as an "Electing Holder." For the purpose of the Co-Sale Right set forth in this Section 12, each Electing Holder may sell all or any part of that number of shares of stock that is not in excess of the product obtained by multiplying (a) the aggregate number of shares of Co-Sale Stock described in the Offer Notice (the "Maximum Co-Sale Shares") by (b) a fraction, the numerator of which is the number of shares of stock (on an as-converted basis after giving effect to the exercise or conversion, as applicable, of all derivative securities) at the time owned by such Electing Holder, and the denominator of which is the total number of shares of stock (on an as-converted basis after giving effect to the exercise or conversion, as applicable, of all derivative securities) at the time owned by the Significant Holder and all Electing Holders; provided, that, to the extent that one or more Electing Holders elect not to sell the maximum number shares of Stock it is entitled to sell, the Significant Holder and each other Electing Holder will have the right to sell such excess shares of Stock on a pro rata basis, based on the total number of shares of stock (on an as-converted basis after giving effect to the exercise or conversion, as applicable, of all derivative securities) at the time owned by the Significant Holder and all Electing Holders (except the Electing Holder or Electing Holders that have elected not to sell the maximum number shares of Stock it is entitled to sell) and such allocation of the excess shares of stock among the Significant Holder and the Electing Holders shall be repeated until the Maximum Co-Sale Shares have been fully allocated. Anything to the contrary notwithstanding, (i) no holder of Series B Preferred Stock shall be obligated to make any representations or warranties other than as to its existence, authority, due execution, and ownership of the relevant stock and the enforceability of the relevant agreement against such Series B Preferred Stock, and (ii) unless otherwise agreed, no holder of Series B Preferred Stock will be obligated to indemnify the transferee with respect to any breach of representation, warranty, covenant or agreement other than a breach by such holder of a representation or warranty as to its existence, authority, due execution, ownership of the relevant stock or enforceability of the relevant agreement or a breach of covenant or agreement to sell the relevant shares of stock.

Mechanics. Prior to delivery of the Offer Notice, the Significant Holder shall notify the transferee of the co-sale arrangements hereunder. Thereafter, and through the closing of the purchase and sale of Co-Sale Stock which is the subject of an Offer Notice, the Corporation and the Significant Holder will coordinate in

good faith with the proposed transferee and each Electing Holder to effect such purchase and sale in accordance with the terms of Section 12. At such closing, (a) the transferee shall deliver to the Significant Holder and each Electing Holder payment for the stock to be purchased from each of them, (b) subject to the next following sentence of this Section 12, the Significant Holder and each Electing Holder shall deliver to the Chief Executive Officer of the Corporation, one or more certificates representing the stock to be sold, duly endorsed for transfer or accompanied by a duly executed stock power, or, with respect to any stock certificate that has been lost, stolen or mutilated, an affidavit of lost certificate in form and substance reasonably satisfactory to the Corporation, accompanied by a duly executed stock power, and (c) the Chief Executive Officer of the Corporation shall cancel each certificate so delivered, issue to the transferee a new certificate, registered in such transferee's name, representing the aggregate number of shares of stock so purchased, and issue to the Significant Holder and each Electing Holder, new certificates representing any shares of stock previously represented by cancelled certificates which were not so sold. All Stock in the form of derivative securities to be transferred as Co-Sale Stock pursuant to this Section 12 by the Significant Holder and the Electing Holders shall be exercised, exchanged or converted, as the case may be, into Common Stock, in accordance with the terms of such derivative securities prior to any such transfer of Co-Sale Stock. If, and to the extent any derivative securities may not, by their terms or otherwise, be exercised, exchanged or converted at such time, then such derivative securities may not be sold as Co-Sale Stock and shall not be included in the pro rata calculations described in this Section 12.

Exempt Transfers. The Co-Sale Right shall not apply to (a) any transfer to an affiliate of a Significant Holder; (b) any transfers pursuant to a bona fide pledge to secure a bank loan, not to exceed 10% of the Significant Holder's holding as of the date hereof; or (c) any transfer of stock by the Significant Holder to the Corporation.

As used in this Section 12, the term Significant Holder shall mean an owner of greater than ten percent (10%) of the beneficial ownership of equity securities of the Corporation, including derivative securities, and/or any of his/her/its respective affiliates proposing to transfer shares of stock, either jointly or severally, as the circumstances may dictate.

13. Other Rights. The Series B Preferred Stock shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Restated Articles of Incorporation or provided in other agreements to which the holder is a party.

THIRD: The foregoing Amendment was adopted by all of members of the Board of Directors of the Corporation pursuant to the Florida Business Corporation Act.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be executed by its duly authorized officer this 29th day of July, 2013.

SEARL TECHNOLOGY, INC.

A handwritten signature in black ink, appearing to read "Philip H. Talbert", with a long horizontal flourish extending to the right.

Philip H. Talbert
Chairman-CEO

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