

P15000097607

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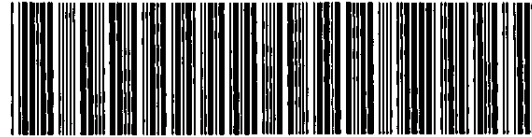
(Business Entity Name)

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CLERK OF STATE
HARRISBURG, PA

11/8/16

REC

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: Digital 24, Inc.

DOCUMENT NUMBER: P15000097607

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

Please return all correspondence concerning this matter to the following:

Bob Schuster

Name of Contact Person

Digital 24, Inc.

Firm/ Company

1205 N. Jacks Lake Road

Address

Clermont, FL 34711

City/ State and Zip Code

Bschuster@hawaii.rr.com

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

For further information concerning this matter, please call:

Bob Schuster

Name of Contact Person

at (808) 228-8500

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

Digital 24, Inc.

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

P 15000097607

(Document Number of Corporation (if known))

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

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

N/A

The new

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

B. Enter new principal office address, if applicable:

(Principal office address MUST BE A STREET ADDRESS)

N/A

C. Enter new mailing address, if applicable:

(Mailing address MAY BE A POST OFFICE BOX)

N/A

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

Name of New Registered Agent

N/A

(Florida street address)

New Registered Office Address:

(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

Prepared By:
Peter Berkman, Esq
18865 SR 54 #110
Lutz, FL 33558
813.600.2971

FILED

2010 NOV -7 PM 3:01
CLERK OF STATE
TALLAHASSEE

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

(Attach additional sheets, if necessary)

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

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

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

Example:

X Change PT John Doe

X Remove V Mike Jones

X Add SV Sally Smith

<u>Type of Action</u> (Check One)	<u>Title</u>	<u>Name</u>	<u>Address</u>
1) <u>Change</u>		<u>N/A</u>	
<u>Add</u>			
<u>Remove</u>			
2) <u>Change</u>		<u>N/A</u>	
<u>Add</u>			
<u>Remove</u>			
3) <u>Change</u>		<u>N/A</u>	
<u>Add</u>			
<u>Remove</u>			
4) <u>Change</u>		<u>N/A</u>	
<u>Add</u>			
<u>Remove</u>			
5) <u>Change</u>		<u>N/A</u>	
<u>Add</u>			
<u>Remove</u>			
6) <u>Change</u>		<u>N/A</u>	
<u>Add</u>			
<u>Remove</u>			

E. If amending or adding additional Articles, enter change(s) here:
(Attach additional sheets, if necessary). (Be specific)

PLEASE SEE ATTACHED

ARTICLES OF AMENDMENT TO

ARTICLES OF INCORPORATION OF

DIGITAL 24, Inc.

DESIGNATING

7% CONVERTIBLE 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

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The date of each amendment(s) adoption: October 28, 2016, if other than the date this document was signed.

Effective date if applicable: October 28, 2016
(no more than 90 days after amendment file date)

Note: If the date inserted in this block does not meet the applicable statutory filing requirements, this date will not be listed as the document's effective date on the Department of State's records.

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 Oct 28, 2016

Signature David Delaune, Vice-President & Director
(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)

Bob Schuster
Bob Schuster

Bob Schuster, President
President, Digital 24, Inc.

**ARTICLES OF
AMENDMENT TO
ARTICLES OF
INCORPORATION OF
DIGITAL 24, Inc.**

**DESIGNATING
7% CONVERTIBLE PREFERRED
STOCK**

**PURSUANT TO SECTION 607.0602
OF THE FLORIDA BUSINESS
CORPORATION ACT**

Digital 24, Inc., a corporation organized and existing under Florida Business Corporation Act (hereinafter called the "Corporation"), in accordance with the provisions of Section 607.0602 thereof, DOES HEREBY CERTIFY:

FIRST: These Articles of Amendment were adopted by the Board of Directors on October 28, 2016 in the manner prescribed by Section 607.1002 of the Florida Business Corporation Act. Shareholder action was not required.

SECOND : That pursuant to the authority vested in the Board of Directors of the Corporation in accordance with the provisions of the Articles of Incorporation, as amended, of the Corporation (the "Articles of Incorporation"), the Board of Directors adopted the following resolution on October 28, 2016 designating 100,000 shares of the Company's authorized preferred stock as "7% Convertible Preferred Stock":

RESOLVED, that pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of the Articles of Incorporation, a series of Preferred Stock, having no par value, of the Corporation be and hereby is created, and that the designation and number of shares thereof, and the voting and other powers, preferences and relative, participating, optional or other rights of the shares of such series, and the qualifications, limitations and restrictions thereof, are as follows:

**TERMS OF
7% CONVERTIBLE PREFERRED
STOCK**

Up to One Hundred Thousand (100,000) shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "7% Convertible Preferred Stock" with the following rights, preferences, powers, privileges, restrictions, qualifications, and limitations.

1. Fractional Shares. 7% Convertible Preferred Fractional interests will be paid to the shareholder by the Company in cash in lieu of fractional shares.

2. Dividends. 7% Convertible Preferred Stock shall be. Dividends on this 7% Convertible Preferred Stock will be payable on a cumulative basis when, as and if declared by the Board of Directors, or an authorized committee of the Board of Directors, at an annual rate of 7.00% on the stated value of \$100 Per share.

3. Liquidation, Dissolution, or Winding Up.

Payments to Holders of 7% Convertible Preferred Stock. 7% Convertible Preferred Stock shall be treated pari passu with Common Stock except that the payment on each share of 7% Convertible Preferred Stock shall be equal to the amount of the payment on each share of Common Stock multiplied by the Conversion Rate.

4. Voting.

Preferred Stock Holders shall have No Voting Rights.

5. Conversion Rate and Adjustments.

a. *Conversion Rate.* The Conversion Rate shall be \$100 of Common Stock (as adjusted pursuant to this Section 5) for each share of 7% Convertible Preferred Stock. The number of Common shares to be exchanged for each share of 7% Preferred shall be determined to be \$100 divided by the market value, as defined in Section J of the Confidential Limited Offering Memorandum.

- i. Therefore, in Year 3 that value would equal \$100 divided by the weighted average price of the common stock for the preceding 60 days less 5%. To illustrate, if the weighted average of the common stock 60 days preceding the request to convert was \$2, the number of shares that each 7% Preferred Share would convert to would equal $100 / (95\% \times 2)$ or 52.63 shares of common. In lieu of Fractional shares, the Company will pay cash to the shareholder. In this case that would be $.63 \times \$2$ or \$1.26.
- ii. If converted in Year 4 that value would equal \$100 divided by the weighted average price of the common stock for the preceding 60 days less 10%. To illustrate, if the weighted average of the common stock 60 days preceding the request to convert was \$2, the number of shares that each 7% Preferred Share would convert to would equal $100 / (90\% \times 2)$ or 55.55 shares of common. In lieu of Fractional shares, the Company will pay cash to the shareholder. In this case that would be $.55 \times \$2$ or \$1.10.
- iii. If converted in Year 5 that value would equal \$100 divided by the weighted average price of the common stock for the preceding 60 days less 5%. To illustrate, if the weighted average of the common stock 60 days preceding the request to convert was \$2, the number of shares that each 7% Preferred Share would convert to would equal $100 / (85\% \times 2)$ or 58.82 shares of common. In lieu of Fractional shares, the Company will pay cash to the shareholder. In this case that would be $.82 \times \$2$ or \$1.64.

b. *Adjustment for Stock Splits and Combinations.* If the Corporation shall at any time or from time to time after the issuance of the 7% Convertible Preferred Stock effect a subdivision of the outstanding Common Stock, the Conversion Rate then in effect immediately before that subdivision shall be proportionately increased. If the Corporation shall at any time or from time to time after the issuance of the 7% Convertible Preferred Stock combine the outstanding shares of Common Stock, the Conversion Rate then in effect immediately before the combination shall be proportionately decreased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

c. *Adjustment for Merger or Reorganization, etc.* If there shall occur any reorganization, recapitalization, reclassification, consolidation, or merger involving the Corporation in which the Common Stock (but not the 7% Convertible Preferred Stock) is converted into or exchanged for securities, cash, or other property, then, following any such reorganization, recapitalization, reclassification, consolidation, or merger, each share of 7% Convertible Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property that a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of 7% Convertible Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation, or merger would have been entitled to receive pursuant to such transaction.

6. Conversion.

a. All shares of 7% Convertible Preferred Stock are subject to mandatory conversion as set forth below.

b. In the event sufficient Shares of Common Stock are not available on the Mandatory Conversion Date, upon the effective date of an Amendment to the Articles of Incorporation increasing the number of authorized Shares of Common Shares to 11,000,000.

- (i) all outstanding shares of 7% Convertible Preferred Stock shall be automatically converted into shares of Common Stock, at the Conversion Rate,
- (ii) such shares may not be reissued by the Corporation as shares of such 7% Convertible Preferred Stock and

c. All holders of record of shares of 7% Convertible Preferred Stock shall be given written notice of the Mandatory Conversion Date and the place designated for mandatory conversion of all such shares of 7% Convertible Preferred Stock pursuant to this Section 6. Such notice need not be given in advance of the occurrence of the Mandatory Conversion Date. Such notice shall be sent by first class or registered mail, postage prepaid, or given by electronic communication in compliance with the provisions of the Florida Business Corporation Act, to each record holder of 7% Convertible Preferred Stock. Upon receipt of such notice, each holder of shares of 7% Convertible Preferred Stock shall surrender his, her, or its certificate or certificates for all such shares to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Common Stock to which such holder is entitled pursuant to this Section 6. On the Mandatory Conversion Date, all outstanding shares of 7% Convertible Preferred Stock shall be deemed to have been converted into shares of Common Stock, which shall be deemed to be outstanding of record, and all rights with respect to the 7% Convertible Preferred Stock so converted, including the rights, if any, to receive notices (other than as a holder of Common Stock), will terminate, except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive certificates for the number of shares of Common Stock into which such 7% Convertible Preferred Stock has been converted, and payment of any declared but unpaid dividends thereon. If so required by the Corporation, 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. As soon as practicable after the Mandatory Conversion Date and the surrender of the certificate or certificates for 7% Convertible Preferred Stock, the Corporation shall cause to be issued and delivered to such holder, or on his, her, or its written order, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and cash as provided in Section 6(b) in respect of any fraction of a share of Common Stock otherwise issuable upon such conversion.

d. All certificates evidencing shares of 7% Convertible Preferred Stock that are required to be surrendered for conversion in accordance with the provisions hereof shall, from and after the Mandatory Conversion Date, be deemed to have been retired and cancelled and the shares of 7% Convertible Preferred Stock represented thereby converted into Common Stock for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date. Such converted 7% Convertible Preferred Stock 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 7% Convertible Preferred Stock accordingly.

e. No fractional shares of Common Stock shall be issued upon conversion of the 7% Convertible Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash to the Shareholders based on the value the fractional shares would otherwise be worth.

7. **Waiver.** Any of the rights, powers, or preferences of the holders of 7% Convertible Preferred Stock set forth herein may be waived by the affirmative consent or vote of the holders of at least a majority of the shares of 7% Convertible Preferred Stock then outstanding.

RESOLVED, FURTHER, that any executive officer of the Corporation be and they hereby is authorized and directed to prepare and file a Certificate of Designation of Preferences, Rights and Limitations in accordance with the foregoing resolution and the provisions of Florida law.

IN WITNESS WHEREOF, the undersigned have executed these Articles of Amendment this 28th day of October, 2016.

/s/ 

Name Bob Schuster

Title: Chief Executive Officer