

P17000070688

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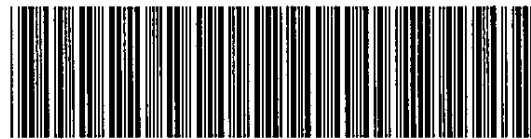
(Business Entity Name)

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**COVER LETTER**

**TO:** Amendment Section  
Division of Corporations

**NAME OF CORPORATION:** 4-Scored, Inc.

**DOCUMENT NUMBER:** P17000070688

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

Please return all correspondence concerning this matter to the following:

Philip Magri  
Name of Contact Person  
Magri Law, LLC  
Firm/ Company  
2642 NE 9th Ave.  
Address  
Wilton Manors, FL 33334  
City/ State and Zip Code

pmagri@magrilaw.com  
E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Philip Magri at ( 954 ) 903-8027  
Name of Contact Person Area Code & Daytime Telephone Number

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

- |   |  |   |  |
|---|--|---|--|
| <input checked="" type="checkbox"/> \$35 Filing Fee | <input type="checkbox"/> \$43.75 Filing Fee &<br>Certificate of Status | <input type="checkbox"/> \$43.75 Filing Fee &<br>Certified Copy<br>(Additional copy is<br>enclosed) | <input type="checkbox"/> \$52.50 Filing Fee<br>Certificate of Status<br>Certified Copy<br>(Additional Copy<br>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

2017 OCT -6 AM 10:50

**ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
4-SCORED, INC.**

**PURSUANT TO SECTIONS 607.1003 AND 607.0602 OF THE  
FLORIDA BUSINESS CORPORATION ACT**

4-Scored, Inc., a corporation organized and existing under Florida Business Corporation Act  
(hereinafter called the "**Corporation**"), **DOES HEREBY CERTIFY:**

**FIRST:** That pursuant to Section 67.1003 of the Florida Business Corporation Act and the Bylaws of the Corporation, the Board of Directors and the stockholders of the Corporation holding a sufficient amount of voting capital stock of the Corporation needed for approval, adopted the following resolutions on October 2, 2017:

**RESOLVED**, that the Corporation is authorized and directed to amend Section IV (Shares) of the Articles of Incorporation of the Corporation to increase the number of authorized "blank check" preferred stock, par value \$0.001 per share (the "**Preferred Stock**"), to **Fifty Million (50,000,000 shares)**; and

**RESOLVED**, that the Chief Executive Officer of the Corporation be and hereby is authorized and directed to prepare and file an Amendment to the Articles of Incorporation of the Corporation with the Secretary of State of Florida.

**SECOND:** That pursuant to Section 67.0602 of the Florida Business Corporation Act and the Bylaws of the Corporation, the Board of Directors adopted the following resolutions on October 2, 2017 and that shareholder action was not required:

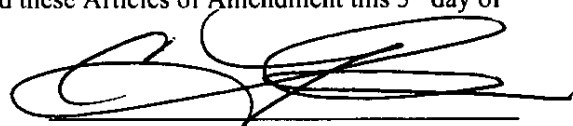
**RESOLVED**, that out of the authorized shares of "blank check" Preferred Stock of the Corporation, an aggregate of **One Hundred (100)** shares of Preferred Stock shall hereby be designated as Series A Preferred Stock, par value \$0.001 per share (the "**Series A Preferred Stock**"), having the rights, preferences, obligations and distinctions as set forth in that certain Certificate of Designation attached hereto as **Exhibit A**; and

**RESOLVED**, that out of authorized shares of "blank check" Preferred Stock of the Corporation, an aggregate of **Twenty-Five Million (25,000,000)** shares of Preferred Stock shall hereby be designated as Series Preferred Stock, par value \$0.001 per share (the "**Series B Preferred Stock**"), having the rights, preferences, obligations and distinctions as set forth in that certain Certificate of Designation attached hereto as **Exhibit B**;

**RESOLVED**, that the Chief Executive Officer of the Corporation be and hereby is authorized and directed to prepare and file an Amendment to the Articles of Incorporation of the Corporation with the Secretary of State of Florida.

2017 OCT -6 AM 10:50  
SECTION 607.1003  
SECTION 607.0602

**IN WITNESS WHEREOF**, the undersigned have executed these Articles of Amendment this 5<sup>th</sup> day of October, 2017.

A handwritten signature in black ink, appearing to read 'Christopher Tompkins', written over a horizontal line.

Name: Christopher Tompkins  
Title: Chief Executive Officer

**4-SCORED, INC.  
CERTIFICATE OF DESIGNATION  
DESIGNATING  
SERIES A PREFERRED STOCK**

**1. Designation and Amount.**

This series of Preferred Stock shall be designated "**Series A Preferred Stock**" and the authorized number of shares constituting such series shall be **One Hundred (100)**. The par value of the Series A Preferred Stock shall be \$0.001 per share. Shares of the Series A Preferred Stock shall have a stated value of \$0.001 per share (the "**Stated Value**").

**2. Dividends.**

The holders of shares of Series A Preferred Stock shall not be entitled to receive any dividends.

**3. Preferences on Liquidation.**

Subject to the provisions of **Section 6(a)** below, in the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the holders of shares of the Series A Preferred Stock then outstanding shall be entitled to be paid, out of the assets of the Corporation available for distribution to its stockholders, whether from capital, surplus or earnings, an amount equal to one dollar (\$1.00) per share.

**4. Super Voting Rights.**

Except as otherwise required by law or by the Articles of Incorporation and except as set forth in **Section 6(b)** below, the outstanding shares of Series A Preferred Stock shall vote together with the shares of Common Stock and other voting securities of the Corporation as a single class and, regardless of the number of shares of Series A Preferred Stock outstanding and as long as at least one of such shares of Series A Preferred Stock is outstanding, shall represent 80 percent (80%) of all votes entitled to be voted at any annual or special meeting of shareholders of the Corporation or action by written consent of shareholders. Each outstanding share of the Series A Preferred Stock shall represent its proportionate share of the 80 percent (80%) which is allocated to the outstanding shares of Series A Preferred Stock.

**5. Negative Covenants.**

The Corporation will not, by amendment of the Articles of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Articles of Incorporation and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holders of the Series A Preferred Stock against impairment.

**6. Ranking; Changes Affecting Series.**

- (a) The Series A Preferred Stock shall, with respect to distribution rights on liquidation, winding up and dissolution, (i) rank senior to any of the shares of Common Stock of the Corporation, and any other class or series of stock of the Corporation which by its terms shall rank junior to the Series A Preferred Stock, and (ii) rank junior to any other series or class of preferred stock of the Corporation and any other class or series of stock of the Corporation which by its term shall rank senior to the Series A Preferred Stock.
- (b) So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not (i) alter or change any of the powers, preferences, privileges or rights of the Series A Preferred Stock, or (ii) amend the provisions of this **Section 6**; in each case, without first obtaining the approval by vote or written consent, in the manner provided by law, of the holders of at least a majority of the outstanding shares of Series A Preferred Stock, as to changes affecting the Series A Preferred Stock.

**7. No Redemption.**

The shares of the Series A Preferred Stock are not redeemable.

**8. Protection Provisions.**

So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by the Florida Business Corporation Act) of the Holders of at least a majority of the then outstanding shares of Series A Preferred Stock:

- (a) alter or change the rights, preferences or privileges of the Series A Preferred Stock;
- (b) alter or change the rights, preferences or privileges of any capital stock of the Corporation so as to affect adversely the Series A Preferred Stock;
- (c) create any new class or series of capital stock having a preference over the Series A Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Corporation (as previously defined, "**Senior Securities**");
- (d) create any new class or series of capital stock ranking *pari passu* with the Series A Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Corporation (as previously defined, "**Pari Passu Securities**");
- (e) increase the authorized number of shares of Series A Preferred Stock;
- (f) issue any shares of Series A Preferred Stock other than pursuant to the Securities Purchase Agreement with the original parties thereto;
- (g) issue any additional shares of Senior Securities; or
- (h) redeem, or declare or pay any cash dividend or distribution on, any Junior Securities.

If holders of at least a majority of the then outstanding shares of Series A Preferred Stock agree to allow the Corporation to alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock pursuant to **Subsection (a)** above, then the Corporation shall deliver notice of such

approved change to the Holders of the Series A Preferred Stock that did not agree to such alteration or change (the “**Dissenting Holders**”).

**9. Merger, Consolidation, Etc.**

- (a) If at any time or from time to time there shall be (i) a merger, or consolidation of the Corporation with or into another corporation, (ii) the sale of all or substantially all of the Corporation’s capital stock or assets to any other person, (iii) any other form of business combination or reorganization in which the Corporation shall not be the continuing or surviving entity of such business combination or reorganization, or (iv) any transaction or series of transactions by the Corporation in which in excess of 50 percent (50%) of the Corporation’s voting power is transferred (each, a “**Reorganization**”), then as a part of such Reorganization, provision shall be made so that the holders of the Series A Preferred Stock shall thereafter be entitled to receive the same kind and amount of stock or other securities or property (including cash) of the Corporation, or of the successor corporation resulting from such Reorganization.
- (b) The provisions of this **Section 9** are in addition to and not in lieu of the provisions of **Section 2** hereof.

**10. No Impairment.**

The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Certificate of Designation and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred Stock against impairment.

**11. Lost or Stolen Certificates.**

Upon receipt by the Corporation of (i) evidence of the loss, theft, destruction or mutilation of any Preferred Stock Certificate(s) and (ii) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Corporation, or (iii) in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Corporation shall execute and deliver new Preferred Stock Certificate(s) of like tenor and date.

**4-SCORED, INC.  
CERTIFICATE OF DESIGNATION  
DESIGNATING  
SERIES B PREFERRED STOCK**

**1. Designation and Amount.**

This series of Preferred Stock shall be designated "**Series B Preferred Stock**" and the authorized number of shares constituting such series shall be **Twenty-Five Million (25,000,000)**. The par value of the Series B Preferred Stock shall be \$0.001 per share. Shares of the Series B Preferred Stock shall have a stated value of \$1.00 per share (the "**Stated Value**").

**2. Dividends.**

From and after the date of the issuance of any shares of Series B Preferred Stock, dividends at the rate per annum of \$0.10 per share shall accrue on such shares of Series B Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock) (the "**Accruing Dividends**"). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this **Section 2**, such Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Accruing Dividends. 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 (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in the Articles of Incorporation) the holders of the Series B Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B Preferred Stock in an amount at least equal to the greater of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Series B Preferred Stock and not previously paid and (ii) the dividend payable on each share of Series B Preferred Stock, as if all shares of such class or series had been converted into Common Stock.

**3. Preferences on Liquidation.**

- (a) **Preferential Payments to Holders of Series B Preferred Stock.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Series B Original Issue Price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Series B Preferred Stock been converted into Common Stock pursuant to **Section 5** immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series B Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full



amount to which they shall be entitled under **this Subsection 5(a)**, the holders of shares of Series B 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) **Payments to Holders of Common Stock.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Series B Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

- (c) **Deemed Liquidation Events.** Each of the following events shall be considered a “Deemed Liquidation Event”:

- (i) a merger or consolidation in which the Corporation is not the surviving entity (other than a merger to effectuate a change in domicile) or which the shareholders of the Company do not retain at least 25 percent (25%) of the outstanding capital stock of the surviving entity; and
- (ii) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

#### **4. Voting Rights.**

- (a) **General.** On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series B Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Articles of Incorporation, holders of Series B Preferred Stock shall vote together with the holders of Common Stock as a single class.

- (b) **Protection Provisions.** So long as least 25 percent (25%) of the shares of Series B Preferred Stock are outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by the Florida Business Corporation Act) of the Holders of at least a majority of the then outstanding shares of Series B Preferred Stock:

- (i) alter or change the rights, preferences or privileges of the Series B Preferred Stock;
- (ii) alter or change the rights, preferences or privileges of any capital stock of the Corporation so as to affect adversely the Series B Preferred Stock;

- (iii) create any new class or series of capital stock having a preference over the Series B Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Corporation (as previously defined, "**Senior Securities**");
- (iv) create any new class or series of capital stock ranking *pari passu* with the Series B Preferred Stock as to distribution of assets upon liquidation, dissolution or winding up of the Corporation; or
- (v) issue any additional shares of Senior Securities; or redeem, or declare or pay any cash dividend or distribution on, any Junior Securities.

If holders of at least a majority of the then outstanding shares of Series B Preferred Stock agree to allow the Corporation to alter or change the rights, preferences or privileges of the shares of Series B Preferred Stock pursuant to **Subsection (b)** above, then the Corporation shall deliver notice of such approved change to the Holders of the Series B Preferred Stock that did not agree to such alteration or change (the "**Dissenting Holders**").

5. **Conversion.** The Series B Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

(a) **Optional Conversion.**

- (i) **Conversion Ratio.** Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion. The "**Series B Conversion Price**" shall initially be equal to \$1.00. Such initial Series B Conversion Price, and the rate at which shares of Series B Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.
- (ii) **Termination of Conversion Rights.** In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series B Preferred Stock.
- (iii) **Notice of Conversion.** In order for a holder of Series B Preferred Stock to voluntarily convert shares of Series B Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Series B Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Series B Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Series B Preferred Stock (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), at the office of the transfer agent for the Series B Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Series B Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Series B Preferred Stock represented by the surrendered certificate that were not converted into Common Stock.

- (b) **Mandatory Conversion.** Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least \$5.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock), 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 \$50,000,000 of gross proceeds, net of the underwriting discount and commissions, 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 a majority of the then outstanding shares of Series B Preferred Stock (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 Series B Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to **Subsections 5(a)(i) and 5(a)(ii)** such shares may not be reissued by the Corporation.
- (c) **Effect of Conversion.** All shares of Series B Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, and to receive payment of any dividends declared but unpaid thereon. Any shares of Series B Preferred Stock so converted 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 Series B Preferred Stock accordingly.
- (d) **No Further Adjustment.** Upon any such conversion, no adjustment to the Series B Conversion Price shall be made for any declared but unpaid dividends on the Series B

Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

**6. Adjustments to Series B Conversion Price for Diluting Issues.**

- (a) **Special Definitions.** For purposes of this Article Fourth, the following definitions shall apply:
- (i) **"Option"** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.
  - (ii) **"Convertible Securities"** shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.
  - (iii) **"Series B Original Issue Date"** shall mean the date on which the first share of Series B Preferred Stock was issued.
  - (iv) **"Additional Shares of Common Stock"** shall mean all shares of Common Stock issued (or deemed to be issued) by the Corporation after the Series B Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, **"Exempted Securities"**):
    - (1) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on an outstanding class of capital stock;
    - (2) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of capital stock;
    - (3) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors of the Corporation;
    - (4) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;
    - (5) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation;
    - (6) shares of Common Stock, Options or Convertible Securities issued to suppliers or third-party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors of the Corporation;

- (7) shares of Common Stock, Options or Convertible Securities issued pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board of Directors of the Corporation;
- (8) shares of Common Stock, Options or Convertible Securities issued in connection with collaboration marketing or other similar agreements or strategic partnerships approved by the Board of Directors of the Corporation.
- (b) **No Adjustment of Series B Conversion Price.** No adjustment in the Series B Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least 25 percent (25%) of the then outstanding shares of Series B Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.
- (c) **Adjustment of Series B Conversion Price Upon Issuance of Additional Shares of Common Stock.** In the event the Corporation shall at any time after the Series B Original Issue Date issue Additional Shares of Common Stock (excluding Exempted Securities), without consideration or for a consideration per share less than the applicable Series B Conversion Price in effect immediately prior to such issue, then the Series B Conversion Price shall be reduced, concurrently with such issue, to the consideration per share received by the Corporation for such issue or deemed issue of the Additional Shares of Common Stock; provided that if such issuance or deemed issuance was without consideration, then the Corporation shall be deemed to have received an aggregate of \$0.001 of consideration for all such Additional Shares of Common Stock issued or deemed to be issued.
- (d) **Adjustment for Stock Splits and Combinations.** If the Corporation shall at any time or from time to time after the Series B Original Issue Date effect a subdivision of the outstanding Common Stock, the Series B Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series B Original Issue Date combine the outstanding shares of Common Stock, the Series B Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this **Subsection 6(d)** shall become effective at the close of business on the date the subdivision or combination becomes effective.

## **7. No Redemption.**

The shares of the Series B Preferred Stock are not redeemable.

**8. Merger, Consolidation, Etc.**

- (a) If at any time or from time to time there shall be (i) a merger, or consolidation of the Corporation with or into another corporation, (ii) the sale of all or substantially all of the Corporation's capital stock or assets to any other person, (iii) any other form of business combination or reorganization in which the Corporation shall not be the continuing or surviving entity of such business combination or reorganization, or (iv) any transaction or series of transactions by the Corporation in which in excess of 50 percent (50%) of the Corporation's voting power is transferred (each, a "Reorganization"), then as a part of such Reorganization, provision shall be made so that the holders of the Series B Preferred Stock shall thereafter be entitled to receive the same kind and amount of stock or other securities or property (including cash) of the Corporation, or of the successor corporation resulting from such Reorganization.
- (b) The provisions of this **Section 8** are in addition to and not in lieu of the provisions of **Section 2** hereof.

**9. No Impairment.**

The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Certificate of Designation and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series B Preferred Stock against impairment.

**10. Lost or Stolen Certificates.**

Upon receipt by the Corporation of (i) evidence of the loss, theft, destruction or mutilation of any Preferred Stock Certificate(s) and (ii) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Corporation, or (iii) in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Corporation shall execute and deliver new Preferred Stock Certificate(s) of like tenor and date.