

P940000041346

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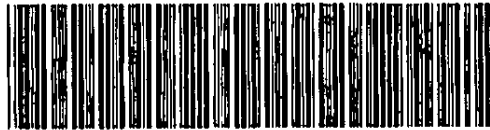
(Business Entity Name)

(Document Number)

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Amend

NOV 02 2016

I ALBRITTON

COVER LETTER

TO: Amendment Section
Division of Corporations

NAME OF CORPORATION: Duos Technologies Group, Inc.

DOCUMENT NUMBER: P94000041346

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

Please return all correspondence concerning this matter to the following:

Jean Martin

Name of Contact Person

Duos Technologies Group, Inc.

Firm/ Company

6622 Southpoint Dr. South, Suite 310

Address

Jacksonville, FL 32216

City/ State and Zip Code

jmm@duostech.com

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

For further information concerning this matter, please call:

Jean Martin

at (904)

652-1601

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:

☒ \$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

Duos Technologies Group, Inc.

P94000041346

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

N/A

B. Enter new principal office address, if applicable:
(Principal office address **MUST BE A STREET ADDRESS**)

N/A

N/A

Name of New Registered Agent N/A

N/A

(Florida street address)

New Registered Office Address: _____, Florida _____
(City) (Zip Code)

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

Page 1 of 4

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	_____	N/A	_____
<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	_____	_____	_____
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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	_____	_____	_____

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

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DUOS TECHNOLOGIES GROUP, INC.

**ARTICLES OF AMENDMENT
DESIGNATING PREFERENCES, RIGHTS AND LIMITATIONS
OF
SERIES A CONVERTIBLE PREFERRED STOCK**

I, Gianni Arcaini, Chief Executive Officer of Duos Technologies Group, Inc. (the "Company"), a corporation organized and existing under the laws of the State of Florida, DO HEREBY CERTIFY:

Pursuant to the provisions of Sections 607.1003 and 607.1006 of the Florida Business Corporation Act (the "Act"), the Company adopts this Amendment to the Articles of Incorporation set forth below. The Amendment was adopted by the Board of Directors of the Company on the 8th day of August 2016 in accordance with and in the manner prescribed by the Act:

Article FIFTH is hereby amended by adding the following language:

(G) Terms of Series A Convertible Preferred Stock

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 of the Securities Act.

"Alternate Consideration" shall have the meaning set forth in Section 7(e).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Buy-In" shall have the meaning set forth in Section 6(c)(iv).

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the Company's common stock, par value \$0.001 per share, and stock of any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or a Subsidiary which would entitle the holder thereof to acquire at any time Common Stock, including,

without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Amount" means the sum of the Stated Value at issue.

"Conversion Date" shall have the meaning set forth in Section 6(a).

"Conversion Price" shall have the meaning set forth in Section 6(b).

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of the shares of Series A in accordance with the terms hereof.

"Dividend Conversion Price" shall have the meaning set forth in Section 3(a).

"Dividend Conversion Shares" shall have the meaning set forth in Section 3(d).

"Dividend Notice Period" shall have the meaning set forth in Section 3(a).

"Dividend Payment Date" shall have the meaning set forth in Section 3(a).

"Dividend Share Amount" shall have the meaning set forth in Section 3(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Fundamental Transaction" means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act), other than a legal entity majority owned by, or a group wholly consisting of, officers and directors of the corporation and their Affiliates, of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 50% of the voting securities of the Company (other than by means of conversion or exercise of Series A), (b) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the Company or the successor entity of such transaction, (c) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (d) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (e) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock

is effectively converted into or exchanged for other securities, cash or property, or (g) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (e) above.

"Holder" shall have the meaning given such term in Section 2.

"National Securities Exchange" means a national securities exchange which is eligible for exempt security status under the National Securities Markets Improvement Act of 1995, Section 18(b)(1) of the Securities Act.

"Notice of Conversion" shall have the meaning set forth in Section 6(a).

"Original Issue Date" means the date of the first issuance of any shares of the Series A regardless of the number of transfers of any particular shares of Series A and regardless of the number of certificates which may be issued to evidence such Series A.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability corporation, joint stock Company, government (or an agency or subdivision thereof) or other entity of any kind.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Purchase Agreement" means that certain agreement between the Company and the purchaser signatories thereto pursuant to which the Company sold the Series A.

"Series A" shall have the meaning set forth in Section 2.

"Share Delivery Date" shall have the meaning set forth in Section 6(c).

"Stated Value" shall have the meaning set forth in Section 2.

"Subscription Amount" shall mean, as to each Holder, the aggregate amount to be paid for the Series A acquired pursuant to the Securities Purchase Agreement as specified below such Holder's name on the signature page of the Securities Purchase Agreement in United States dollars and in immediately available funds.

"Subsidiary" means with respect to any entity at any date, any direct or indirect corporation, limited or general partnership, limited liability corporation, trust, estate, association, joint venture or other business entity of which (A) more than 50% of (i) the

outstanding capital stock having (in the absence of contingencies) ordinary voting power to elect a majority of the board of directors or other managing body of such entity, (ii) in the case of a partnership or limited liability corporation, the interest in the capital or profits of such partnership or limited liability corporation or (iii) in the case of a trust, estate, association, joint venture or other entity, the beneficial interest in such trust, estate, association or other entity business is, at the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such entity, or (B) is under the actual control of the Company.

"Successor Entity" shall have the meaning set forth in Section 7(e).

"Transfer Agent" means Pacific Stock Transfer Company, and any successor transfer agent of the Company.

"Underlying Shares" means the shares of Common Stock issued and issuable upon conversion of the Series A in accordance with the terms of these Articles designating the Series A.

Section 2. Designation, Amount and Par Value. The series of preferred stock shall be designated as its Series A Convertible Preferred Stock (the "Series A") and the number of shares so designated shall be up to 500,000 (which shall not be subject to increase without the written consent of a majority of the holders of the then outstanding Series A (each, a "Holder" and collectively, the "Holders")). Each share of Series A shall have a par value of \$0.001 per share and a stated value equal to \$10.00 (the "Stated Value").

Section 3. Dividends. The Series A shall rank prior to the Common Stock with respect to dividends. The holders of shares of the Series A shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available therefore, cumulative cash dividends at an annual rate of eight percent (8%) of the Stated Value (the "Dividend Rate"). Such dividends on shares of Series A shall be cumulative from the date such shares are issued, whether or not in any period there shall be funds of the Company legally available for the payment of such dividends and whether or not such dividends are declared, and shall be payable quarterly, when, as and if declared by the Board of Directors, on April 10, July 10, October 10, and January 10 in each year (each a "Dividend Payment Date") to holders of record as of March 31, June 30, September 30 and December 31 in each year (the "Record Date"). Cumulative dividends shall at all times accrue at a compounded rate equal to the Dividend Rate and shall accrue from and including the date of issuance of such shares to and including a Dividend Payment Date. Such dividends shall accrue whether or not there shall be (at the time such dividend becomes payable or at any other time) profits, surplus or other funds of the Company legally available for the payment of dividends.

Section 4. Voting Rights. Holders of Series A shall vote together with the holders of Common Stock on an as-converted basis on all matters on which holders of the Common Stock are entitled to vote. In addition, as long as any shares of Series A are outstanding, the Company shall not, without the affirmative vote of the Holders of a majority of the then outstanding shares of the Series A, (a) alter or change adversely the powers, preferences or rights given to the Series A or alter or amend these Articles designating the Series A, (b) authorize or create any class of stock ranking as to dividends, redemption or distribution of assets upon a

Liquidation Event (as defined in Section 5) senior to, or otherwise pari passu with, the Series A, (c) amend its Articles of Incorporation or other charter documents in any manner that adversely affects any rights of the Holders, (d) increase the number of authorized shares of Series A, or (e) enter into any agreement with respect to any of the foregoing.

Section 5. Liquidation. Upon the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary (a "Liquidation Event"), the Holders of shares of Series A then outstanding shall be entitled to receive, out of the assets of the Company available for distribution to its stockholders, an amount equal to the Stated Value plus any accrued and unpaid dividends as of the date of the Liquidation Event (the "Liquidation Preference") before any amount shall be paid or distributed to the holders of the Common Stock or the holders of any other series or class of preferred stock of the Company. After payment of the full Liquidation Preference to which each Holder is entitled, such Holders will also be entitled to participate with holders of Common Stock on an as-converted basis to a distribution of the assets of the Company upon the Liquidation Event. After a Liquidation Event and the subsequent payment to a Holder of Series A of its Liquidation Preference, such Holder's stock certificate representing its Series A shall be deemed null and void.

Section 6. Conversion.

(a) Conversions at Option of Holder. Each share of Series A shall be convertible, at any time and from time to time from and after the Original Issue Date at the option of the Holder thereof, into that number of shares of Common Stock determined by dividing the sum of (i) the Stated Value of such share of Series A and (ii) the accrued and unpaid dividends per share by the Conversion Price. Holders shall effect conversions by providing the Company with the form of conversion notice attached hereto as Annex A (a "Notice of Conversion"). Each Notice of Conversion shall specify the number of shares of Series A to be converted, the number of shares of Series A owned prior to the conversion at issue, the number of shares of Series A owned subsequent to the conversion at issue and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers such Notice of Conversion to the Company (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Company is deemed delivered hereunder. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. To effect conversions of shares of Series A, a Holder shall not be required to surrender the certificate(s) representing the shares of Series A to the Company, (although the Holder may surrender the Series A certificate to, and receive a replacement certificate from the Company, at Holder's election) unless all of the shares of Series A represented thereby are so converted, in which case such Holder shall deliver the certificate representing such shares of Series A promptly following the Conversion Date at issue. Shares of Series A converted into Common Stock or redeemed in accordance with the terms hereof shall be canceled and shall not be reissued.

(b) Conversion Price. Each share of Series A shall be convertible into Common Stock at a price of \$0.18 per share of Common Stock, subject to adjustment herein (the "Conversion Price").

(c) Mechanics of Conversion

(i) Delivery of Certificate Upon Conversion. Not later than 30 days after each Conversion Date (the "Share Delivery Date"), the Company shall deliver, or cause to be delivered, to the converting Holder (A) a certificate or certificates representing the number of Conversion Shares being acquired upon the conversion of the Series A (however, the Company shall use reasonable best efforts to deliver such shares within three (3) Business Days) and (B) a bank check in the amount of accrued and unpaid dividends.

(ii) Failure to Deliver Certificates. If, in the case of any Notice of Conversion, such certificate or certificates are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such certificate or certificates, to rescind such Conversion, in which event the Company shall promptly return to the Holder any original Series A certificate delivered to the Company and the Holder shall promptly return to the Company the Common Stock certificates issued to such Holder pursuant to the rescinded Conversion Notice.

(iii) Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock for the sole purpose of issuance upon conversion of the Series A as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Series A), not less than such aggregate number of shares of the Common Stock as shall (subject to the terms and conditions set forth in the Securities Purchase Agreement) be issuable (taking into account the adjustments and restrictions of Section 7) upon the conversion of the then outstanding shares of Series A. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

(iv) Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of the Series A. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

(v) Transfer Taxes and Expenses. The issuance of certificates for shares of the Common Stock on conversion of this Series A shall be made without charge

to any Holder for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificates, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holders of such shares of Series A and the Company shall not be required to issue or deliver such certificates unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion.

Section 7. Certain Adjustments.

(a) **Stock Dividends and Stock Splits.** If the Company, at any time while this Series A is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in shares of Common Stock on shares of Common Stock or any other Common Stock Equivalents, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues, in the event of a reclassification of shares of the Common Stock, any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to this Section 7(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(b) **Certain Subsequent Equity Sales.** If the Company sells or issues any shares of Common Stock or Common Stock Equivalents at a price per share less than the Conversion Price (a "Lower-Price Issuance") in connection with a financing where one of the purposes is to permit the Company's Common Stock being accepted for listing on a National Securities Exchange, then for a period of 30 days after the Common Stock begins to trade on a National Securities Exchange the Conversion Price shall be reduced to the Lower Price Issuance. After the 30-day period has expired, the Conversion Price shall increase to the level immediately prior to commencement of the 30-day period (subject to any other adjustments provided for in this Section 7).

(c) **Pro Rata Distributions.** The Company, at any time while this Series A is outstanding, shall include Holders, on an as-if-converted-to-Common-Stock basis, in all distributions of any kind (including cash and cash dividends) issued to all holders of Common Stock.

(d) **Fundamental Transaction.** If, at any time while this Series A is outstanding, a Fundamental Transaction occurs, then, upon any subsequent conversion of this Series A,

the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction, the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Series A is convertible immediately prior to such Fundamental Transaction. For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Series A following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall file a new Certificate of Designation with the same terms and conditions and issue to the Holders new preferred stock consistent with the foregoing provisions and evidencing the Holders' right to convert such preferred stock into Alternate Consideration. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under these Articles designating the Series A in accordance with the provisions of this Section 7(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Series A, deliver to the Holder in exchange for this Series A a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Series A which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Series A (without regard to any limitations on the conversion of this Series A) prior to such Fundamental Transaction, and with a conversion price which applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Series A immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of these Articles designating the Series A referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under these Articles designating the Series A with the same effect as if such Successor Entity had been named as the Company herein.

(e) Calculations. All calculations under this Section 7 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 7, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding any treasury shares of the Company) issued and outstanding.

(f) Notice to the Holders.

(i) Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 7, the Company shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Conversion by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of this Series A, and shall cause to be delivered to each Holder at its last address as it shall appear upon the stock books of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any Subsidiary, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to convert the Conversion Amount of this Series A (or any part hereof) during the 20-day period

commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 8. Redemption. Subject to prior conversion and compliance with any instruments in effect on the date these Articles of Amendment are filed with the Florida Secretary of State any Holder may on at least five Business Days prior written notice to the Company require the Company to redeem its shares of Series A at a price equal to the Stated Value plus accrued and unpaid dividends on or after the date that is three (3) years from the Original Issue Date. All dividends will be paid in cash unless any Holder gives the Company written notice received by the Company at least five Business Days prior to the redemption date given by the Company of its election to receive shares of Common Stock calculated by dividing the amount of the accrued and unpaid dividends by the Conversion Price.

Section 9. Miscellaneous.

(a) **Notices.** Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by email, or sent by a nationally recognized overnight courier service, addressed to the Company, at: 6622 Southpoint Drive S., Suite 310, Jacksonville, Florida 32216, Attn: Adrian Goldfarb, Chief Financial Officer, email: agg@duostech.com with a copy to Connie Weeks at cw@duostech.com, or such other address or electronic mail address as the Company may specify for such purposes by notice to the Holders delivered in accordance with this Section 9. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by email, or sent by a nationally recognized overnight courier service addressed to each Holder at the address or email address of such Holder appearing on the books of the Company, or if no such address email address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Securities Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via email at the email address set forth in this Section 9 prior to 5:30 p.m. (New York City time) on any date, (ii) the next Business Day after the date of transmission, if such notice or communication is delivered via email at the email address set forth in this Section 9 on a day that is not a Business Day or later than 5:30 p.m. (New York City time) on any Business Day, (iii) the second Business Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(b) **Absolute Obligation.** Except as expressly provided herein, no provision of these Articles designating the Series A shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay accrued dividends and accrued interest, as applicable, on the shares of Series A at the time, place, and rate, and in the coin or currency, herein prescribed.

(c) Lost or Mutilated Series A Certificate. If a Holder's Series A certificate shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Series A so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership hereof reasonably satisfactory to the Company.

(d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the provisions of the shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced only in the state and federal courts sitting in Duval County, Florida. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Florida Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Florida Courts, or such Florida Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under these Articles designating the Series A and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to these Articles designating the Series A or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of these Articles designating the Series A, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

(e) Waiver. Any waiver by the Company or a Holder of a breach of any provision of these Articles designating the Series A shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of these Articles designating the Series A or a waiver by any other Holders. The failure of the Company or a Holder to insist upon strict adherence to any term of these Articles designating the Series A on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of these Articles designating the Series A on any other occasion. Any waiver by the Company or a Holder must be in writing.

(f) Severability. If any provision of these Articles designating the Series A is invalid, illegal or unenforceable, the balance of these Articles designating the Series A shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(g) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(h) Headings. The headings contained herein are for convenience only, do not constitute a part of these Articles designating the Series A and shall not be deemed to limit or affect any of the provisions hereof.

(i) Status of Converted or Redeemed Series A. Shares of Series A may only be issued pursuant to the Securities Purchase Agreement. If any shares of Series A shall be converted, redeemed or reacquired by the Company, such shares shall resume the status of authorized but unissued shares of preferred stock and shall no longer be designated as Series A Convertible Preferred Stock.

RESOLVED, FURTHER, that the Chairman, the president or any vice-president, and the secretary or any assistant secretary, of the Company be and they hereby are authorized and directed to prepare and file these Articles of Amendment Designating the Preferences, Rights and Limitations of the Series A Convertible Preferred Stock in accordance with the foregoing resolution and the provisions of Florida law.

IN WITNESS WHEREOF, the undersigned has executed these Articles this 26th day of October, 2016.

/s/ Gianni Arcaini

Name: Gianni Arcaini

Title: Chief Executive Officer

ANNEX A

NOTICE OF CONVERSION

**(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES
OF SERIES A)**

The undersigned hereby elects to convert the number of shares of Series A Convertible Preferred Stock indicated below into shares of common stock, par value \$0.001 per share (the "Common Stock"), of Duos Technologies Group, Inc., a Florida corporation (the "Company"), according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as may be required by the Company in accordance with the Securities Purchase Agreement. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

Conversion calculations:

Date to Effect Conversion: _____

Number of shares of Series A owned prior to Conversion: _____

Number of shares of Series A to be Converted: _____

Stated Value of shares of Series A to be Converted: _____

Number of shares of Common Stock to be Issued: _____

Applicable Conversion Price: _____

Number of shares of Series A subsequent to Conversion: _____

Address for Delivery: _____

or

DWAC Instructions:

Broker no: _____

Account no: _____

[HOLDER]

By: _____

Name:

Title:

The date of each amendment(s) adoption: 8/8/16, if other than the date this document was signed.

Effective date if applicable: 10/26/16
(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 10/26/16

Signature _____

(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)

Adrian G. Goldfarb

(Typed or printed name of person signing)

Chief Financial Officer

(Title of person signing)