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DIVISION OF CORPORATIONS

## BASIC AMENDMENT

RAPOR, INC.

Certificate of Status	0
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Page Count	08
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ARTICLES OF AMENDMENT  
TO  
ARTICLES OF INCORPORATION  
OF  
RAPOR, INC.

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Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida profit corporation adopts the following the articles of amendment to its articles of incorporation:

FIRST: Amendment(s) adopted:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended by deleting ARTICLE III in its entirety and substituting therefor the following.

ARTICLE III - CAPITAL STOCK

A. Authorized Shares

The total number of shares of all classes which the Corporation shall be authorized to issue is as follows:

- (i) Two Million (2,000,000) shares of Common stock having a par value of \$0.001 per share (the "Common Stock"); and
- (ii) One Million (1,000,000) shares of Series A Preferred Stock having a par value of \$0.001 per share (the "Preferred Stock").

B. Common Stock

Voting Rights. The holders of Common Stock shall vote as a single class on all matters submitted to a vote of the stockholders to which the holders of Common Stock are entitled to vote, except as may be required by Florida law or as otherwise expressly specified in these Articles of Incorporation. Each share of Common Stock shall be entitled to one vote.

Reservation The Corporation hereby reserves and shall at all times reserve and keep available, out of its authorized and unissued shares of Common Stock, for purposes of effecting conversions, such number of duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Preferred Stock. The Corporation covenants that all the shares of Common Stock so issuable shall, when so issued, be duly and validly issued, fully paid and non-assessable. The Corporation shall take all such action as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or regulation.

Merger. Upon the merger or consolidation of the Corporation, holders of each share of Common Stock shall be entitled to receive equal per share payments or distributions.

Liquidation. Upon any dissolution or liquidation of the Corporation, holders of Common Stock shall be entitled to receive ratably all assets of the Corporation available for distribution to stockholders, subject to any preferential rights of any then outstanding Preferred Stock.

C. Preferred Stock

The Board of Directors is authorized, subject to limitations prescribed by law, to provide for the issuance of Preferred Stock in one or more series, to establish a number of shares to be included in each series, and to fix the designations, powers, preferences and rights of the shares of each such series, and any qualifications, limitations or restrictions thereof.

The designations, powers, preferences and rights of the Series A Preferred Stock, \$0.001 par value are as set forth on Schedule A annexed hereto.

D. Reverse Stock Split

Upon this Certificate of Amendment becoming effective every one hundred (100) shares of Common Stock issued and outstanding immediately prior to the filing of this Certificate of Amendment will be automatically reclassified and converted into one share of Common Stock, and every one hundred (100) shares of Preferred Stock issued and outstanding will be automatically reclassified and converted into one (1) share of Preferred Stock and the conversion rights under the Preferred Stock and the exercise rights under all outstanding warrants and options shall be adjusted accordingly. "

**SECOND:** The date of each amendment's adoption December 1, 2003.

**THIRD:** Adoption of Amendments(s) **CHECK ONE**

- ☒ The amendment was approved by the shareholders. The number of votes cast for the amendment was sufficient for approval.

Signed this 1<sup>st</sup> day of December, 2003.

Signature



Peter Harris, Its President

## **SCHEDULE A**

### **RIGHTS OF SERIES A PREFERRED SHARES**

#### **DEFINITIONS**

"**Business Day**" means a day (not being a Saturday or Sunday) when banks are open for general business in New York.

"**Company**" means Rapor, Inc. a Florida corporation.

"**Common Stock**" means the common stock, \$.001 par value of the Company.

"**Conversion Date**" shall have the meaning set forth in subsection 3.1.3 below.

"**Initial Issue Date**" shall mean the date that Series A Preferred Shares are first issued by the Company.

"**Liquidation Value**" means \$45.00 per share of Series A Preferred Shares.

"**Person**" means any individual, corporation, partnership, joint venture, association, company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Initial Public Offering**" shall mean an underwritten public offering of Common Stock pursuant to an effective registration statement under the U.S. Securities Act of 1933:

"**Mandatory Conversion Date**" shall have the same meaning set forth in subsection 4.1 below.

"**Redemption Price**" shall mean the Liquidation Value.

"**Series A Preferred Shares**" shall mean the Series A Preferred Shares of the Company.

"**Subordinate Shares**" shall mean any class of shares of the Company, however designated, which is junior in right to the Series A Preferred Shares, including without limitation such shares of the Company that are not entitled to receive (i) any dividends unless all dividends required to have been paid or declared and set apart for payment on the Series A Preferred Shares shall have been so paid or declared and set apart for payment or (ii) any assets upon liquidation, dissolution or winding up of the affairs of the Company until the Series A Preferred Shares shall have received the entire amount to which such shares are entitled upon such liquidation, dissolution or winding up.

## **1. Dividends.**

- 1.1. The holders of Series A Preferred Shares shall be entitled to receive out of funds legally available therefor, any dividends when and as declared by the Board of Directors of the Company.
- 1.2. The Series A Preferred Shares shall rank for dividend in priority to any other class of shares of the Company.

## **2. Distributions Upon Liquidation, Dissolution or Winding Up**

- 2.1. The Company shall deliver to each holder of Series A Preferred Shares notice of any voluntary or involuntary liquidation, dissolution or other winding up of the affairs of the Company, (each a "Dissolution") at least ninety (90) days prior to such event, which notice shall state all material facts and terms relating to such Dissolution including without limitation: (i) the nature of such Dissolution, including without limitation the nature, amount, terms and conditions of payment to the holders of Series A Preferred Shares in connection with such Dissolution, (ii) the date on which such Dissolution shall occur. In the event of any such Dissolution, before any payment or distribution shall be made to the holders of Subordinate Shares, the holders of Series A Preferred Shares shall be entitled to be paid out of the assets of the Company in cash, or, if the Company not have sufficient cash on hand to pay such amounts, property of the Company at its fair market value as determined by the Board of Directors of the Company, the Liquidation Value and shall not be entitled to any additional payment or distribution. All rights to receive payments of all or any portion of the Liquidation Value are subordinate and junior to the rights of all holders of any Debentures issued by the Company.
- 2.2. If, upon any such Dissolution, the assets of the Company shall be insufficient to permit the payment in full of the Liquidation Value amounts to which the holders of Series A Preferred Shares are entitled as set forth in subsection 2.1 above for each share of the Series A Preferred Shares, then the assets of the Company shall be rateably distributed among the holders of Series A Preferred Shares in proportion to the full amounts to which they would otherwise be respectively entitled if all amounts thereon were paid in full.

## **3. Conversion**

### **3.1. Conversion Rights.**

#### **3.1.1. Conversion at the Option of the Holder.**

- 3.1.2. At any time or from time to time each holder of Series A Preferred Shares may, at its option, convert each Series A Preferred Share held by such holder into one (1) share of fully paid and non-assessable Common Stock.

- 3.1.3. To convert Series A Preferred Shares in accordance with this subsection 3.1, a

holder must (i) surrender the certificate or certificates evidencing the Series A Preferred Shares to be converted, duly endorsed in a form satisfactory to the Company, at the office of the Company; (ii) notify the Company at such office that it elects to convert Series A Preferred Shares, and the number of shares it wishes to convert; (iii) state in writing the name or names in which it wishes the certificate or certificates for shares of Common Stock to be issued, and (iv) pay any transfer or similar tax with respect to the transfer of the Series A Preferred Shares converted, if required. The date on which the holder satisfies the foregoing requirements shall be the Conversion Date. As soon as practical but in any event within thirty (30) Business Days of the Conversion Date, the Company shall deliver a certificate for the number of shares of Common Stock issuable upon the conversion and a new certificate representing the unconverted portion, if any, of the Series A Preferred Shares represented by the certificate or certificates surrendered for conversion. The person in whose name the shares of Common Stock certificate is registered shall be treated as the Shareholder of record of such shares on and after the Conversion Date.

3.1.4. Upon such conversion, all rights of the holders of converted Series A Preferred Shares with respect to the Series A Preferred Shares so converted shall cease.

3.1.5. The right to convert shall, subject to the provisions of this Section, be exercisable on any Business Day following the Initial Issue Date, by completing the notice of conversion endorsed on the certificate relating to the Series A Preferred Shares to be converted or a notice in such other form as may from time to time be prescribed by the Directors in lieu thereof (a "Conversion Notice") and delivering the same to the Company together with such other evidence (if any) as the Directors may reasonably require to prove the title and claim of the person exercising such right to convert. A Conversion Notice once delivered may not be withdrawn without the consent in writing of the Directors.

3.1.6. No adjustment will be made to the conversion as contemplated in subsection 3.1 if shares of Common Stock or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified or granted to employees (including directors or officers of the Company).

3.1.7. The Company has reserved and shall continue to reserve out of its authorized but unissued shares of Common Stock enough shares to permit the conversion of the Series A Preferred Shares in full. All shares of Common Stock which may be issued upon conversion of Series A Preferred Shares shall be duly authorized, validly issued and fully paid. The Company shall comply with all securities laws regulating the offer and delivery of shares of Common Stock upon conversion of Series A Preferred Shares.

#### 4. Mandatory Conversion.

4.1. Each Series A Preferred Share shall be automatically converted into shares of Common Stock on the date an Initial Public Offering is consummated by the Company

("Mandatory Conversion Date"). At least sixty (60) days prior to the occurrence of the Mandatory Conversion Date, the Company shall: (i) notify all holders of the Series A Preferred Shares of such event; (ii) demand that all Series A Preferred Shares be returned to the Company's offices. As soon as practical but in any event within thirty (30) days after the Mandatory Conversion Date, the Company shall deliver a certificate to and in the name of the holder of the Series A Preferred Shares for the number of shares of Common Stock issuable upon the conversion of the Series A Preferred Shares represented by the certificate. The name of the holders of the Series A Preferred Shares on the Mandatory Conversion Date shall be treated as the Shareholder of record of the shares of Common Stock into which the Series A Preferred Shares were converted on and after the Mandatory Conversion Date. Adjustment (or cash payment, if applicable) shall be made for accrued and previously declared and unpaid dividends as of the Mandatory Conversion Date on Series A Preferred Shares converted pursuant to this subsection 4.1. Upon such conversion, the rights of the holders of converted Series A Preferred Shares with respect to the Series A Preferred Shares so converted shall cease. The conversion of such Series A Preferred Shares under this subsection 4.1 shall be effected in such manner as may be authorized or permitted by law and as the Board of Directors acting in good faith shall from time to time determine.

## 5. Voting Rights

- 5.1. Except as otherwise required by law, the Series A Preferred Shares issued and outstanding shall have no right to vote on any matters presented to the holders of Common Stock for voting (including but not limited to as to the election of directors).
- 5.2. The Series A Preferred Shares shall entitle the holders of a majority in interest of such shares to nominate one member of the Company's Board of Directors.

## 6. Exclusion of Other Rights

- 6.1. Except as may otherwise be required by law, the Series A Preferred Shares shall not have any voting powers, preferences and relative, participating, optional or other special rights, other than those specifically set forth in the Articles of Association of the Company (as such Articles may be amended from time to time).