

Document Number Only

P97000034986

CT Corporation System

Requestor's Name
660 East Jefferson Street

Address
Tallahassee, FL 32310 222-1092

City State Zip Phone

CORPORATION(S) NAME

900002756049--0
-01/27/99--01035--005
*****43.75 *****43.75

FILED
99 JAN 27 PM 2:43
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARO of America, Inc.

- ☐ Profit
☐ NonProfit
☒ Amendment
☐ Merger
☐ Foreign
☐ Dissolution/Withdrawal
☐ Limited Liability Company
☐ Limited Partnership
☐ Annual Report
☐ Other
☐ Reinstatement
☐ Name Registration
☐ Change of R.A.
☐ Fictitious Name
☐ UCC-1 Financing Statement
☐ UCC-3 Filing
☒ Certified Copy
☐ Photo Copies
☐ CUS
☐ Call When Ready
☒ Call if Problem
☐ After 4:30
☒ Walk In
☐ Will Wait
☒ Pick Up
☐ Mail Out

Name Availability
Document Examiner
Updater
Verifier
Acknowledgment
W.P. Verifier

Please Return Extra Copies
File Stamped.
Thank You!!

1/27

RECEIVED
99 JAN 27 AM 11:12
DIVISION OF CORPORATIONS
Hope



RECEIVED

FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

FEB 3 AM 10:02
DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

January 27, 1999

CT CORPORATION SYSTEM
HOPE
TALLAHASSEE, FL

SUBJECT: ARO OF AMERICA, INC.
Ref. Number: P97000034986

We have received your document for ARO OF AMERICA, INC. and your check(s) totaling \$43.75. However, the enclosed document has not been filed and is being returned for the following correction(s):

The date of adoption of each amendment must be included in the document.

The name of the person signing the document must be typed or printed beneath or opposite the signature.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6908.

Teresa Brown
Corporate Specialist

Letter Number: 699A00003676

Attn:

Teresa

Please backdate & file.

Thank you.

Spe

**ARTICLES OF AMENDMENT
to
ARTICLES OF INCORPORATION
of
ARO of America, INC.**

FILED
99 JAN 27 PM 12:44
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1006 of the Florida Business Corporation Act (the "Act"), the undersigned Corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of this Corporation is ARO of America, Inc., Charter No. P97000034986 filed on April 18, 1997.

2. The Amendment to the Articles of Incorporation set forth below was adopted by all of the Directors of the Corporation, on December 3, 1997 in the manner prescribed by Section 607.1005 of the Act. Shareholder action was not required.

3. Article Three of the Articles of Incorporation of the Corporation shall be amended and restated in its entirety to read as follows:

ARTICLE THREE

AUTHORIZED SHARES

The total number of shares of capital stock which the Corporation has the authority to issue is Thirty Million (30,000,000) consisting of.

- (1) 20,000,000 shares, par value \$1.00 per share, designated as Common Stock (the "Common Stock"); and
- (2) 10,000,000 shares, par value \$0.001 per share, designated as Series A Cumulative Convertible Preferred Stock (the "Series A Preferred Stock").

The powers, preferences, rights, qualifications, limitations, and restrictions of the Common Stock and Series A Preferred Stock are as follows:

A. COMMON STOCK

1. Dividend Rights. Subject to the rights of shares ranking senior to the Common Stock, dividends may be paid upon the Common Stock, when and as declared by the Board of Directors, but only out of funds legally available therefor.

2. Rights on Liquidation and Ranking. In the event of any voluntary liquidation, dissolution or winding up of the affairs of the Corporation, and after the stated amounts payable in such event on shares ranking senior to the Common Stock shall have been paid in full or

provision for the payment thereof shall have been made the remaining net assets of the Corporation shall be distributed pro rata to the holders of Common Stock.

3 Voting Rights. Except as otherwise provided by law or as otherwise expressly provided herein, the holders of the Common Stock Shall have the exclusive right to vote for the election of directors and for all other purposes.

B. SERIES A PREFERRED STOCK

1. Dividend Rights.

1.1 A. The holder of record of each share of Series A Preferred Stock (a "Holder") as of the Record Date (as defined below) shall be entitled to receive, when, as and if declared by the Corporation's Board Directors or a duly authorized committee thereof, on January 1st and July 1st of each year (a "Dividend Payment Date") out of the funds of the Corporation legally available therefor, cumulative dividends per share of Series A Preferred Stock (the "Cash Dividends") in cash equal to the "Dividend Rate" (as hereinafter defined) multiplied by the Liquidation Preference (as defined in Paragraph 2 and as adjusted pursuant Paragraph 1.1 D below) for each Semi-Annual Payment Period (as hereafter defined) that such share of Series A Preferred Stock is outstanding. To the extent permitted by applicable law and not prohibited pursuant to the terms of applicable credit instruments, senior securities or the Certificate of Designation, the Board of Directors shall declare Cash Dividends ("Dividends") on each Dividend Payment Date (or, if such day is not a business day, on the next business day thereafter).

- B. A "Semi-Annual Payment Period" shall mean the six-month period ending on June 30 and December 31 of each year.
- C. The "Dividend Rate" shall mean an annual dividend rate of ten per cent (10%) per annum, *provided, however*, that no dividends are payable unless the operations of the Corporation, during the preceding semi-annual period, shall have been profitable, as determined by a certified public accountant selected by the Corporation in accordance with generally accepted accounting principles consistently applied.
- D. Dividends shall accrue (whether or not paid) during each Semi-Annual Payment Period from the Dividend Payment Date immediately preceding such Semi-Annual Payment Period to the earlier to occur of a conversion event specified in Paragraph 4 hereof or the last day of such Semi-Annual Payment Period. Dividends shall be calculated on the basis of a 180-day Semi-Annual Payment Period and the actual number of days elapsed. The Holder of any share of Series A Preferred Stock which are the subject of a conversion pursuant to Paragraph 4 shall, on the Automatic Conversion Date (as defined in Paragraph 4.1) or the Conversion Date (as defined in Paragraph 4.3), as the case may be, be entitled to receive, to the extent lawful, accrued Dividends on such shares of Series A Preferred Stock which have not been declared and paid on or before such

Automatic Conversion Date or Conversion Date, as the case may be. For any period with respect to which the Dividend is not fully paid as described herein (as a result of a lawful restriction thereon or otherwise), such accrued but unpaid Dividends shall be added to the Liquidation Preference of the shares of Series A Preferred Stock effective at the beginning of the period next succeeding the period as to which such Dividends were not paid, and shall thereafter accrue additional Dividends at the Dividend Rate. Any Dividend payment made on Series A Preferred Stock shall be credited against the earliest accrued but unpaid Dividend which has been added to the Liquidation Preference of the Series A Preferred Stock pursuant to this Paragraph 1.1 D and shall reduce the Liquidation Preference by the amount of the Dividend paid.

1.2 Dividends, if and when declared on each share of Series A Preferred Stock, shall to the extent permitted by applicable law be declared at least twenty (20) business days prior to the next Dividend Payment Date for payment on the next Dividend Payment Date to the Holders of record on the date determined in such declaration, which date shall in no event be more than fifteen (15) business days after the date of declaration (the "Record Date"). Dividends shall be payable, whether or not declared, on the earlier to occur of a conversion event specified in Paragraph 4 hereof or a redemption transaction described in Paragraph 4 herein or each Dividend Payment Date (or if any such date is not a business day, the next succeeding business day).

1.3 So long as any shares of Series A Preferred Stock are outstanding the Corporation shall not declare, pay or set aside for payment any dividend (other than in shares of Junior Stock (as hereinafter defined)) or other distribution in respect of its Junior Stock, or call for redemption, redeem, purchase or otherwise acquire for any consideration (other than shares of its Junior Stock) any shares of its Junior Stock, any warrants, rights, calls or options exercisable for any shares of Junior stock unless all dividends accumulated and unpaid with respect to the Series A Preferred Stock are simultaneously declared and paid. "Junior Stock" means Common Stock (as hereinafter defined) or any other series of preferred stock of the Corporation which ranks junior to or on a parity with (as determined pursuant to Paragraph 5) the Series A Preferred Stock. "Common Stock" means the common stock of the Corporation and any shares of successor or replacement stock.

1.4 So long as any Series A Preferred Stock remain outstanding the Corporation shall not make any compensation payments to any officer or director thereof that exceed the compensation levels of the officers and directors at comparable companies performing comparable services as determined by the Corporation's Board of Directors in its reasonable business judgment.

1.5 So long as any Series A Preferred Stock remain outstanding, the Corporation shall not pay any management or consulting fees to an Affiliate (as hereinafter defined) thereof that exceed management or consulting fees that are usual and customary for comparable services performed by an unrelated party as determined by the Corporations Board of Directors in its reasonable business judgment. "Affiliate" means any corporation, person, or entity controlling, controlled by or under common control with another.

1.6 Each Holder shall be entitled to participate with the holders of Common Stock equally and ratably (on the basis of the number of shares of Common Stock such Holder would then own if it then converted its Series A Preferred Stock pursuant to Paragraph 4) in any subscription rights or other similar rights to acquire securities or property of the Corporation granted to any holders of Common Stock.

2. Rights on Liquidation and Ranking.

2.1 In the event of the liquidation, dissolution, winding-up or sale or other disposition of all or substantially all of the assets of the Corporation, whether voluntary or involuntary ("Liquidation"), the Holder of a share of Series A Preferred Stock shall be entitled to receive with respect to such share of Series A Preferred Stock, after the satisfaction of all distributions to holders of other series of preferred stock, if any, which are required (at the direction of the holder thereof or otherwise) to be redeemed prior to or in connection with the consummation of such Liquidation or which are expressly senior in liquidation preference to the Series A Preferred Stock, including any series of preferred stock which is mandatorily redeemable (collectively, the "Senior Payments") but before any distribution is made to or set aside for the holders of Common Stock or any other series of preferred stock of the Corporation, if any, which are not then required to be redeemed or which are junior in liquidation preference to Series A Preferred Stock, cash or any other assets of the Corporation in an amount (or having a fair market value) equal to One Dollar (\$1.00) per share (the "Liquidation Preference") plus all accrued but unpaid dividends up to the date of the final distribution in Liquidation. If, after the satisfaction of all Senior Payments, the assets of the Corporation available for distribution to Holders shall be insufficient to permit the payment in full of the amount due the Holders pursuant to this Paragraph 2, then the entire assets of the Corporation available for distribution to Holders after the satisfaction of all Senior Payments shall be distributed *pari passu* among the Holders and the holders of other series of preferred stock which are not junior in liquidation preferences to the Series A Preferred stock, if any, in accordance with their respective liquidation preferences. The fair market value of any assets of the Corporation and the proportion of cash and other assets distributed by the Corporation to the Holders of the Series A Preferred Stock shall be reasonably determined in good faith by the Board of Directors. A consolidation or merger of the Corporation with or into any other corporation or corporations, or a sale of all or substantially all of the assets of the Corporation, shall, at the option of the Holders of the Series A Preferred Stock, be deemed a liquidation, dissolution or winding up within the meaning of this Section 2 if the shares of stock of the Corporation (along with all derivative securities) outstanding immediately prior to such transaction represent immediately after such transaction less than a majority of the voting power of the surviving corporation (or of the acquirer of the Corporation's assets in the case of a sale of assets). Such option may be exercised by the vote or written consent of Holders of a majority of the Series A Preferred Stock at any time within thirty (30) calendar days after written notice of the essential terms of such transaction shall have been given to the Holders of the Series A, Preferred Stock in the manner provided by law for the giving of notice of meetings of Shareholders. Such notice shall be given by the Corporation immediately following determination of such essential terms.

2.2 With regard to rights to receive distributions upon Liquidation of the Corporation and dividends, the Series A Preferred Stock shall rank senior to the Common Stock and any other

equity securities of the Corporation that by their terms are not made senior to or on a parity with the Series A Preferred stock as to such rights.

3. Voting Rights

3.1 Except as otherwise provided in paragraphs 3.2 and 3.3 below, each Holder shall have the same voting rights as a holder of the number of shares of Common Stock which such Holder would then own if it then converted its Series A Preferred Stock pursuant to Paragraph 4.

3.2 So long as any of the shares of Series A Preferred Stock are outstanding the Corporation will not, without the affirmative vote or consent of the Holders of at least seventy percent (70%) of the shares of Series A Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a resolution adopted at a meeting called for such purpose, with the Holders of the Series A Preferred Stock voting or consenting separately as a class:

- A. amend, alter or repeal any of the provisions of the Corporation's Articles of Incorporation or bylaws or the resolution providing for the issue of the Series A Preferred Stock or pass any shareholder resolution, including such action effected by merger or similar transaction in which the Corporation is the surviving corporation, if such amendment or resolution would affect adversely the preferences, special rights or powers of the Series Preferred Stock except if such action is otherwise permitted under the other provisions of this Paragraph 3.2;
- B. increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series A Preferred Stock;
- C. issue any capital stock which ranks senior to or on a parity with the Series A Preferred Stock with respect to rights to receive distributions upon liquidation, dissolution, or winding up of the Corporation or with respect to dividends; or
- D. purchase or otherwise acquire for value any Common Stock or other equity security of the Corporation either junior or senior to or on a parity with the shares of Series A Preferred Stock while there exists any arrearage in the payment of cumulative dividends hereunder.

3.3 In the event of an issuance by means of a stock split, reverse split or stock dividend or other similar event or reclassification of shares of Common Stock outstanding, the voting rights of the Series A Preferred Stock shall be fairly and equitably (in the judgment of the Board of Directors of the Corporation) adjusted at the same time and in the same manner as the adjustment is made in the rights of the Common Stock in order to maintain the same voting rights as the Series A Stock had on the date of issuance.

3.4 Copies of all notices sent to the holders of Common Stock shall be simultaneously sent to each Holder.

4. Conversion Rights - Common Stock

4.1 Number of Shares of Series A Preferred Stock.

The shares of Series A Preferred Stock shall be immediately convertible in whole (but not in part), at the option of the Holder(s) thereof, without additional consideration (cash or otherwise), into one fully paid and non-assessable share of Common Stock.

4.2 Automatic Conversion.

(A) Every outstanding share of Series A Preferred Stock will be deemed automatically converted into one (1) share of Common Stock upon the consummation of a firm commitment underwritten public offering of the Securities of the Corporation pursuant to a registration statement filed with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, where the aggregate proceeds to the Corporation resulting from the sale of such securities (before deduction of underwriting discounts and expenses of sale) are not less than \$5 million (such event being hereinafter being referred to as an "Automatic Conversion Event").

(B) On or after the date of occurrence of an Automatic Conversion event, and in any event within ten (10) days after receipt of notice, by mail, postage prepaid from the Corporation, of the occurrence of such event, each holder of record of shares of Series A Preferred Stock will surrender such holder's certificates evidencing such holder's shares of Series A Preferred Stock at the principal office of the Corporation or at such other place as the Corporation will designate, and will thereupon be entitled to receive certificates evidencing the number of shares of Common Stock into which such shares of Series A Preferred Stock are converted. On the date of the occurrence of an Automatic Conversion Event (the "Automatic Conversion Date"), each holder of record of shares of Series A Preferred Stock will be deemed to be the holder of record of the Common Stock issuable upon such conversion, notwithstanding that the certificates representing such shares of Series A Preferred Stock will not have been surrendered at the office of the Corporation, that notice from the Corporation will not have been received by any holder of record of shares of Series A Preferred Stock, or that the certificates evidencing such share of Common Stock will not then be actually delivered to such holder.

4.3 Conversion Upon Reorganization. In case of any reorganization or any reclassification of the capital stock of the Corporation or any consolidation or merger of the Corporation with or into any other corporation or corporations or a sale of all or substantially all of the assets of the Corporation to any other person, and the holders of shares of Series A Preferred Stock do not elect to treat such transaction as a liquidation, dissolution or winding up as provided in Section 2, then, as part of such reorganization, consolidation, merger or sale, provision shall be made so that each share of Series A Preferred Stock shall thereafter be convertible into the number of shares of stock or other securities or property (including cash) to which a holder of the number of shares of Common Stock deliverable upon conversion of such shares of Series A Preferred Stock would have been entitled upon the record date of (or date of, if no record date is fixed such event, and in any case, appropriate adjustment (as determined by the Board of Directors) shall be made in the application of the provisions herein set forth with

respect to the rights and interests thereafter of the holders of the shares of Series A Preferred Stock, to the end that the provisions set forth herein shall thereafter be applicable, as nearly equivalent as is practicable, in relation to any shares of stock or the securities or property (including cash) thereafter deliverable upon the conversion of the shares of Series A Preferred Stock.

4.4 Conversion Method. Any Holder of shares of Series A Preferred Stock may, at any time, exercise the conversion rights as to such shares of Series A Preferred Stock by delivering to the Corporation during regular business hours, a notice requesting conversion on a specified date and the number of Series A Preferred shares that the Holders elects to convert (a "Notice of Conversion"). The Notice of Conversion shall also state the names and addresses of the persons to whom certificates for shares of Common Stock shall be issued, the denominations of such certificates and reasonable delivery instructions with respect thereto. The term Conversion Date shall mean the date so specified in the applicable Notice of Conversion, which date may not be more than three (3) trading days prior to the date on which the Holder has telecopied to the Corporation such Notice of Conversion. Promptly following each Conversion Date, each Holder shall surrender to the Corporation the Certificate or Certificates representing the specified portion of the total number or shares of Series A Preferred Stock held by such Holder subject to the notice of Conversion, duly endorsed, at the offices of the Corporation; *provided* the conversion shall be deemed effected on the Conversion Date so long as such Certificate or Certificates are delivered to the Corporation within three (3) business days of the date of the Notice of Conversion. The person in whose name any certificate for shares of Common Stock is issuable upon the conversion shall be deemed to have become the holder of record of the Common Stock on the Conversion Date. If the stock transfer books of the Corporation are closed on the Conversion Date, the Conversion Date for purposes of determining record ownership shall be the next succeeding day on which the stock transfer books are open (and the conversion shall be deemed to have been effected immediately prior to the close of business on that day), but in all cases the conversion shall be at the Conversion Price in effect on the Conversion Date specified in the Notice of Conversion. As promptly as practicable after the Conversion Date but, in any event within three (3) trading days of the receipt of the Notice of Conversion, the Corporation shall issue and deliver to such Holder, at the expense of the Corporation and in accordance with such Holder's delivery instructions, a certificate or certificate for the number of full shares of Common Stock to which such Holder is entitled, without any restrictive legend.

4.5 Fractional Shares of Common Stock. No fractional shares of Common Stock or scrip shall be issued upon conversion of shares of Series A Preferred Stock.

4.6 Taxes. All shares of Common Stock issued upon conversion of shares of Series A Preferred Stock shall be validly issued, fully paid and non-assessable. The Corporation shall pay any and all documentary stamp or similar issue or transfer taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stocks pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the Series A Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such transfer has

paid to the Corporation the amount of any such tax or has established to the satisfaction of the Corporation that such tax has been paid or that no such tax is payable.

4.7 Surrendered Shares of Series A Preferred Stock. All certificates representing Series A Preferred Stock converted shall be appropriately canceled on the books of the Corporation and the Series A Preferred Stock so converted represented by such Certificates shall be restored to the status of authorized but unissued Series A Preferred Stock. Promptly following the delivery of certificates representing Series A Preferred Stock which are not fully converted, the Corporation shall immediately reissue in the name of the Holder an appropriate number of Series A Preferred Stock.

4.8 Available Common Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of Series A Preferred Stock, such number of shares of Common Stock as shall from time to time be sufficient to effect a conversion of all outstanding Series A Preferred Stock under Paragraph 4.1, as such number may from time to time be adjusted pursuant to Paragraph 4.2, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding Series A Preferred Stock, the Corporation shall promptly take such corporate action as may, in the opinion of its counsel and subject to any necessary approval of its shareholders, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

4.9 Notice to Holders. In the event (i) the Corporation shall declare a dividend or other distribution in the Common Stock other than regular cash dividends declared in the ordinary course or dividends or other distributions payable in Common Stock, (ii) the Common Stock is subdivided, combined or reclassified, (iii) of a merger or consolidation, (iv) of a Liquidation, or (v) the Corporation offers for subscription *pro rata* to holders of Common Stock any additional shares of stock of any class or series or other rights, then the Corporation shall mail to each Holder at the Holder's address as it appears in the stock records of the Corporation promptly and in any event at least fifteen (15) days prior to the date described in clause (a) below, a notice stating (a) the date for the determination of holders of Common Stock entitled to receive the distribution, subscription rights or the consideration in the merger, consolidation or liquidation, or the date of determination as to which shares of Common Stock will be affected by a subdivision, combination, reclassification, and (b) a brief statement of the facts requiring such notice.

5. Ranking of Stock of the Corporation

For purposes of this resolution, any stock of any class or classes of the Corporation shall be deemed to rank:

A. Prior to the Series A Preferred Stock, either as to dividends or upon liquidation, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the Holders;

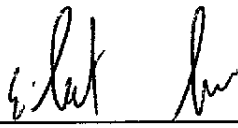
B. On a parity with the Series A Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking and fund provisions, if any, are different from those of the Series A Preferred Stock, if the holders of such stock shall be entitled to the receipt of dividends or of an amount distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in proportion to their respective dividend rates or liquidation prices without preference or priority, one over the other, as between the holders of such stock and the Holders; and

C. Junior to the Series A Preferred Stock, either as to dividends or upon liquidation, if such class shall be Common Stock or if the Holders of the Series A Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation, winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of such class or classes.

4. Except as hereby amended, the Articles of Incorporation of the Corporation remain the same.

5. These Articles of Amendment to Articles of Incorporation of the Corporation shall be effective as of the close of business on December 17, 1997.

IN WITNESS WHEREOF, the undersigned being a Director of the Corporation has executed Articles of Amendment to Articles of Incorporation of ARO of America, Inc. this 17 day of December, 1997.



Director Eilat Lev