

V 68751

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JUN 24 2013

R. WHITE

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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ARTICLES OF AMENDMENT  
TO THE ARTICLES OF INCORPORATION  
OF  
SAGUARO HOLDINGS, INC.

FILED

13 JUN 24 PM 12:46

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

Pursuant to Sections 607.1002 and 607.0602 of the Florida Business Corporation Act ("FBCA") of the State of Florida, the undersigned Chief Executive Officer of Saguario Holdings, Inc. (the "Corporation"), a corporation organization and existing under and by virtue of the laws of the State of Florida and bearing Document Number V68751, does hereby certify:

**FIRST:** Whereas, by virtue of the authority contained in the Articles of Incorporation of the Corporation, the Corporation has authority to issue twenty million (20,000,000) shares of preferred stock, \$0.001 par value per share ("Preferred Stock"), the designation and amount thereof and series, together with the powers, preferences, rights, qualifications, limitations or restrictions thereof, to be determined by the Board of Directors pursuant to the applicable laws of the State of Florida.

**SECOND:** The Board of Directors has hereby established a Series D Convertible Preferred Stock authorized to be issued by the Corporation as above stated, with the designations and amounts thereof, together with the voting powers, preferences and relative, participating, optional and other special rights of the shares of each such series, and the qualifications, limitations or restrictions thereof, to be as follows:

**THIRD:** Article III of the Corporation's Amended and Restated Articles of Incorporation shall be amended to include the following designation:

**Series D Convertible Preferred Stock**

The Board of Directors of the Corporation desires, pursuant to its authority as aforesaid, to determine and fix the rights, preferences, privileges and restrictions relating to a class of said Preferred Stock to be designated as follows:

(1) **Designation and Amounts.** The designation of this series, which consists of 2,500,000 shares of Preferred Stock, is the Series D Convertible Preferred Stock (the "Series D Preferred Stock"), par value \$0.001 per share (the "Par Value") and the issue price value shall be \$6.45 per share (the "Issue Price").

(2) **Dividends.** The holders of the Preferred Shares (each, a "Holder" and collectively, the "Holders") shall have no rights to receive dividend distributions or to participate in any dividends declared by the Corporation to or for the benefit of the holders of its common stock or any other series of Preferred Stock presently outstanding or which may be outstanding in the future.

(3) **Conversion of Preferred Shares.** The shares of Series D Preferred Stock shall be convertible into shares of the Corporation's common stock, par value \$0.001 per share (the "Common Stock"), on the terms and conditions set forth below:

(a) Holder Conversion Rights. At any time, and from time to time beginning on the date of the Valuation Event (as hereinafter defined) and ending on a date of the first anniversary of the Issue Date, at the option of the Holder, each share of Series D Preferred Stock shall be convertible into six (6) shares of Common Stock, subject to adjustment as hereinafter set forth.

(b) Automatic Conversion. In the event the Valuation Event shall not have occurred prior to the first anniversary of the date of issuance of the Series D Preferred Shares, each share of Series D Preferred Stock shall be automatically converted into one (1) share of Common Stock, subject to adjustment as hereinafter set forth, without any further action by the Holder.

(c) Valuation Event. For the purposes of this Section, the term "Valuation Event" shall mean the date on which the Annual Revenue (as hereinafter defined) of TEDL as an unconsolidated entity, shall equal or exceed \$12,000,000 USD during the next 12 month period. The "Valuation" shall be based on a professional audit conducted by a licensed U.S. accounting firm mutually satisfactory to the corporation and TEDL.

(4) Voting Rights. Holders of Series D Preferred Stock shall have no voting rights, until converted into common shares, except as required by the FBCA.

(5) Effect of Reorganization or Reclassification. In case the Corporation shall at any time while the shares of Series D Preferred Stock are outstanding effect a recapitalization or reclassification of such character that its Common Stock shall be changed into or become exchangeable for a larger or smaller number of shares, then, upon the effective date thereof, the number of shares of Common Stock that the Holder may be entitled to receive upon the conversion of the Series D Preferred Stock pursuant to Section 3 hereof shall not be increased or decreased, as the case may be, in direct proportion to the increase or decrease in such number of shares of Common Stock by reason of such recapitalization or reclassification.

(6) Redemption Right; Liquidation, Dissolution, Winding-Up.

(a) Redemption. The shares of Series D Preferred Stock are not redeemable by the Corporation.

(b) Liquidation. In the event of a Liquidation Event (as hereinafter defined), the Holders shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its shareholders, before any amount shall be paid to the holders of any of the Common Stock of the Corporation but after any other class senior in rank to the Series D Preferred Stock in respect of the preferences as to distributions and payments on the liquidation, dissolution and winding up of the Company, an amount per share equal to the Stated Value. For the purposes of this Section, "Liquidation Event" means the voluntary or involuntary liquidation, dissolution or winding up of the Corporation or its subsidiaries, including TEDL, the assets of which constitute all or substantially all of the assets of the business of the Company and its subsidiaries taken as a whole, in a single transaction or series of transactions. A merger, reverse merger, business combination or similar transaction in


which the Corporation is the surviving legal entity shall not be deemed to be a Liquidation Event.

(7) **Ranking.** All shares of Common Stock shall be of junior rank to all shares of Series D Preferred Stock with respect to the preferences as to distributions and payments upon a Liquidation Event of the Corporation. The Company shall be permitted to issue Preferred Stock that is senior in rank to the Series D Preferred Stock in respect of the preferences as to dividends and other distributions, amortization and redemption payments and payments upon the liquidation, dissolution and winding up of the Corporation.

(8) **Status of Converted Shares.** In case any shares of Series D Preferred Stock shall be converted, the shares so converted shall resume the status of authorized but unissued shares of Preferred Stock and shall no longer be designated as Series D Preferred Stock.

**IN WITNESS WHEREOF**, the undersigned, being the Chief Executive Officer of this Corporation, has executed these Articles of Amendment as of May 15, 2013.

SAGUARO HOLDINGS, INC.

  
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Reginald Gilmour, Chief Executive Officer