

B0551-8185 12/31/2020 10:28 AM Received by ID Secretary of State Lawrence Denney

**FIRST AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
HAPPY DAY FOOD GROUP, INC.**

For Office Use Only

**-FILED-**

File #: 0004111326

Date Filed: 12/31/2020 10:28:00 AM

Happy Day Food Group, Inc., a corporation organized and existing under and by virtue of the provisions of the Idaho Business Corporation Act, as codified at Chapter 29, Title 30 of the Idaho Code (the “*IBCA*”),

**DOES HEREBY CERTIFY:**

1. That the name of this corporation is Happy Day Food Group, Inc., this corporation’s original Articles of Incorporation were filed with the Secretary of State of the State of Idaho on December 28, 2016 and this corporation’s Amended and Restated Articles of Incorporation were filed with the Secretary of the State of Idaho on November 13, 2018 (the “*Articles of Incorporation*”).

2. That this corporation’s board of directors duly adopted a resolution proposing to amend and restate the Articles of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its shareholders, which resolution setting forth the proposed amendment and restatement is as follows:

**RESOLVED**, that the Articles of Incorporation of this corporation be amended and restated in its entirety to read as follows:

**ARTICLE I**

The name of this corporation is Happy Day Food Group, Inc. (the “*Corporation*”).

**ARTICLE II**

The address of the registered office of the Corporation in the State of Idaho is 250 S. 5<sup>th</sup> Street, Suite 660, Boise Idaho 83702. The name of its registered agent at such address is Darin DeAngeli.

**ARTICLE III**

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the IBCA.

**ARTICLE IV**

**A. Authorized Shares.**

The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 20,000,000 shares of Common Stock, no par value per share (“*Common Stock*”), and (ii) 10,000,000 shares of Preferred Stock, no par value per share (“*Preferred Stock*”), of which (i) 5,000,000 shares shall be designated as Series A Preferred Stock (the “*Series A Preferred*”).

*Stock*”), (ii) 1,600,000 shares shall be designated as Series B Preferred Stock (the “*Series B Preferred Stock*”), and (iii) 2,500,000 shares shall be designated as Series C Preferred Stock (the “*Series C Preferred Stock*”).

**B. Rights, Preferences and Restrictions of the Common Stock and Preferred Stock**

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

**Part (a) COMMON STOCK**

1. **General.** The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. **Voting.** The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of shareholders (and written actions in lieu of meetings); *provided, however*, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Articles of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Articles of Incorporation or pursuant to the IBCA. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Articles of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 30-29-1004 of the IBCA.

**Part (b) PREFERRED STOCK**

The Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to “Sections” in this **Part (b)** of this **ARTICLE IV** refer to sections and subsections of **Part (b)** of this **ARTICLE IV**. The Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock are sometimes collectively referred to herein as the “*Preferred Stock*.”

1. **Dividends.**

1.1 **Dividend Preference of Series C Preferred Stock.** The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in these Articles of Incorporation) the holders of the Series C Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series C Preferred Stock in an

amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series C Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series C Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series C Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Series C Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series C Preferred Stock pursuant to this **Section 1.1** shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series C Preferred Stock dividend. The “**Series C Original Issue Price**” shall mean \$2.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock.

1.2 **Dividend Preference of Series B Preferred Stock.** The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in these Articles of Incorporation) the holders of the Series B Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series B Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series B Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series B Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Series B Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series B Preferred Stock pursuant to this **Section 1.2** shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series B Preferred Stock dividend. The “**Series B Original Issue Price**” shall mean \$1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock.

1.3 **Dividend Preference of Series A Preferred Stock.** The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in these Articles of Incorporation) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Series A Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this **Section 1.3** shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock dividend. The “**Series A Original Issue Price**” shall mean \$1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

## **2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales**

2.1 **Preferential Payments to Holders of Series C Preferred Stock and Series B Preferred Stock.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series C Preferred Stock and the holders of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders before any payment shall be made to the holders of Series A Preferred Stock or Common Stock by reason of their ownership thereof, an amount per share equal to: (i) with respect to any outstanding shares of Series C Preferred Stock, one times (1x) the Series C Original Issue Price plus any dividends declared but unpaid thereon (the “**Series C Preference Amount**”); and (ii) with respect to any outstanding shares of Series B Preferred Stock, one times (1x) the Series B Original Issue Price, plus any dividends declared but unpaid thereon (the “**Series B Preference Amount**”). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the all the holders of shares of Series C Preferred Stock and all the holders of shares of Series B Preferred Stock the full amount to which they shall be entitled under this **Section 2.1**, the holders of shares of Series C Preferred Stock and the holders of shares Series B Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective

amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

**2.2 Preferential Payments to Holders of Series A Preferred Stock.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, but *after* payment to the holders of shares of Series C Preferred Stock and the holders of shares of Series B Preferred Stock of the amount provided in **Section 2.1** above, an amount per share equal to \$220,000 divided by the number of shares of Series A Preferred Stock then outstanding (the “***Series A Preference Amount***”). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this **Section 2.2**, the holders of shares of Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

**2.3 Distribution of Remaining Assets.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock as set forth in **Section 2.1** and **Section 2.2** above, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of these Articles of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation.

**2.4 Deemed Liquidation Events.**

**2.4.1 *Definition.*** Each of the following events shall be considered a “***Deemed Liquidation Event***”:

- (a) a merger or consolidation in which
  - (1) the Corporation is a constituent party, or
  - (2) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or

resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (*provided that*, for the purpose of this **Section 2.4.1**, all shares of Common Stock issuable upon exercise of Options (as defined below) outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities (as defined below) outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

For purposes of these Articles of Incorporation, a “**Majority of the Preferred Shareholders**” shall mean the holders of at least 60% of the issued and outstanding shares of Preferred Stock, voting together as a single group on an as-converted into Common Stock basis.

#### **2.4.2 Effecting a Deemed Liquidation Event.**

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in **Section 2.4.1(a)(1)** unless the agreement or plan of merger or consolidation for such transaction (the “**Merger Agreement**”) provides that the consideration payable to the shareholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with **Sections 2.1** and **2.2**.

(b) In the event of a Deemed Liquidation Event referred to in **Section 2.4.1(a)(2)** or **Section 2.4.1(b)**, if the Corporation does not effect a dissolution of the Corporation under the IBCA within 90 days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, as applicable, and (ii) if a Majority of the Preferred Shareholders so request in a written instrument delivered to the Corporation not later than 120 days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board), together with any other assets of the Corporation available for distribution to its shareholders (the “**Available Proceeds**”), to the extent legally available therefor, on the 150th day after such Deemed Liquidation Event, to redeem all outstanding shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock at a price per share equal to the Series A Preference Amount, Series B Preference Amount, and Series C Preference Amount, as applicable. Notwithstanding the

foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Corporation shall redeem a pro rata portion of each holder's shares of Preferred Stock, to the fullest extent of such Available Proceeds, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Prior to the distribution or redemption provided for in this **Section 2.4.2(b)**, the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

**2.4.3 Amount Deemed Paid or Distributed.** The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board.

**2.4.4 Allocation of Escrow.** In the event of a Deemed Liquidation Event pursuant to **Section 2.4.1(a)(1)**, if any portion of the consideration payable to the shareholders of the Corporation is placed into escrow and/or is payable to the shareholders of the Corporation subject to contingencies, the Merger Agreement shall provide that (a) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with **Sections 2.1** and **2.2** as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any additional consideration which becomes payable to the shareholders of the Corporation upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with **Sections 2.1** and **2.2** after taking into account the previous payment of the Initial Consideration as part of the same transaction.

### **3. Voting**

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

### 3.2 Board of Directors.

3.2.1 *Election of Directors.* There shall be five directors on the Board of Directors of the Corporation (the “**Board**”), unless otherwise approved pursuant to Sections 3.4.6 and 3.5.6.

(a) one member of the Board shall be elected by the holders of more than 50% of the issued and outstanding shares of Common Stock, voting together as a single group (the “**Common Director**”);

(b) one member of the Board shall be elected by the holders of more than 50% of the issued and outstanding shares of Series A Preferred Stock, voting together as a single group on an as-converted into Common Stock basis (the “**Series A Director**”);

(c) one member of the Board shall be elected by the holders of more than 50% of the issued and outstanding shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, voting together as a single group on an as-converted into Common Stock basis (the “**Series A/B/C Director**”);

(d) the remaining members of the Board shall be elected by the holders of more than 50% of the issued and outstanding shares of Common Stock and Preferred Stock, voting together as a single group on an as-converted into Common Stock basis.

3.2.2 *Term of Directors.* Each director shall serve until the next annual shareholders meeting following her or her election and until his or her successor is duly elected and qualified or until his or her death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

3.2.3 *Vacancies.* In the case of any vacancy in the office of a director elected by the holders of a class or series of stock pursuant to Section 3.2.1, a successor shall be elected to hold office for the unexpired term of office of such director by the class or series with voting power to elect him or her in the same manner as set forth in Section 3.2.1, as applicable, at a special meeting of shareholders duly called or by an action by written consent in lieu of a meeting the purpose of electing such director. Any director elected by the holders of a class, classes or a series of stock may be removed during such director’s term of office, either with or without cause, by and only by the vote of the holders of the outstanding class, classes or series with voting power to elect him or her in the same manner as set forth in Section 3.2.1, as applicable, at a special meeting of shareholders duly called or by an action by written consent for that purpose.

### 3.3 Amendment of the Articles or Bylaws.

3.3.1 *Common Stock.* So long as any shares of Common Stock remain outstanding, the Corporation shall not, either directly or indirectly, amend, alter or repeal any provision of, or add provision to, the Articles of Incorporation or the Bylaws of the Corporation (including any filing of Articles of Amendment) or take any other action that changes the voting powers, preferences or other special rights or restrictions of the Common Stock, without the vote or written consent of the holders of more than 50% of the issued and outstanding shares of Common Stock, voting together as a single group. For the avoidance of doubt, the authorization



and issuance of shares of a new class or series of capital stock having voting powers, preferences or other special rights or restrictions that are senior to or on a parity with the Common Stock shall not require consent pursuant to this **Section 3.3.1**.

**3.3.2 Series A Preferred Stock.** So long as any shares of Series A Preferred Stock remain outstanding, the Corporation shall not, either directly or indirectly, amend, alter or repeal any provision of, or add provision to, the Articles of Incorporation or the Bylaws of the Corporation (including any filing of Articles of Amendment) or take any other action that changes the voting powers, preferences or other special rights or restrictions of the Series A Preferred Stock, without the vote or written consent of the holders of more than 50% of the issued and outstanding shares of Series A Preferred Stock, voting together as a single group on an as-converted into Common Stock basis. For the avoidance of doubt, the authorization and issuance of shares of a new class or series of capital stock having voting powers, preferences or other special rights or restrictions that are senior to or on a parity with the Series A Preferred Stock shall not require consent pursuant to this **Section 3.3.2**.

**3.3.3 Series B Preferred Stock.** So long as any shares of Series B Preferred Stock remain outstanding, the Corporation shall not, either directly or indirectly, amend, alter or repeal any provision of, or add provision to, the Articles of Incorporation or the Bylaws of the Corporation (including any filing of Articles of Amendment) or take any other action that changes the voting powers, preferences or other special rights or restrictions of the Series B Preferred Stock, without the vote or written consent of the holders of more than 50% of the issued and outstanding shares of Series B Preferred Stock, voting together as a single group on an as-converted into Common Stock basis. For the avoidance of doubt, the authorization and issuance of shares of a new class or series of capital stock having voting powers, preferences or other special rights or restrictions that are senior to or on a parity with the Series B Preferred Stock shall not require consent pursuant to this **Section 3.3.3**.

**3.3.4 Series C Preferred Stock.** So long as any shares of Series C Preferred Stock remain outstanding, the Corporation shall not, either directly or indirectly, amend, alter or repeal any provision of, or add provision to, the Articles of Incorporation or the Bylaws of the Corporation (including any filing of Articles of Amendment) or take any other action that changes the voting powers, preferences or other special rights or restrictions of the Series C Preferred Stock, without the vote or written consent of the holders of more than 50% of the issued and outstanding shares of Series C Preferred Stock, voting together as a single group on an as-converted into Common Stock basis. For the avoidance of doubt, the authorization and issuance of shares of a new class or series of capital stock having voting powers, preferences or other special rights or restrictions that are senior to or on a parity with the Series C Preferred Stock shall not require consent pursuant to this **Section 3.3.4**.

**3.4 Common Stock Protective Provisions.** So long as any shares of Common Stock remain outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without the vote or written consent of the holders of more than 50% of the issued and outstanding shares of Common Stock, voting together as a single group:

3.4.1 *Authorized Number of Shares.* Increase or decrease the authorized number of shares of Common Stock or Preferred Stock;

3.4.2 *New Series of Stock.* Authorize or create (by reclassification, merger or otherwise) any new class or series of shares of capital stock having rights, preferences or privileges with respect to dividends or liquidation proceeds that are senior to or on a parity with the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, or having voting rights other than those granted to the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, generally;

3.4.3 *Deemed Liquidation Events, etc.* Authorize or approve any Deemed Liquidation Event, or other corporate reorganization, acquisition or liquidation, or voluntarily dissolve, liquidate or wind up of the affairs of the Corporation or voluntarily petition for bankruptcy or assignment for the benefit of creditors;

3.4.4 *Repurchase of Stock.* Purchase or redeem or otherwise acquire any capital stock of the Corporation, other than as provided in these Articles of Incorporation, or pursuant to repurchases pursuant to stock restriction agreements approved by the Board of Directors upon termination of a consultant, director or employee;

3.4.5 *Dividends.* Declare or pay any dividend or distribution; or

3.4.6 *Board.* Change the size of the Board or alter the rights of the shareholders to designate and elect members to serve on the Board.

3.5 *Preferred Stock Protective Provisions.* So long as any shares of Preferred Stock remain outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without the vote or written consent of the holders of more than 50% of the issued and outstanding shares of Preferred Stock, voting together as a single group on an as-converted into Common Stock basis:

3.5.1 *Authorized Number of Shares.* Increase or decrease the authorized number of shares of Common Stock or Preferred Stock;

3.5.2 *New Series of Stock.* Authorize or create (by reclassification, merger or otherwise) any new class or series of shares of capital stock having rights, preferences or privileges with respect to dividends or liquidation proceeds that are senior to or on a parity with the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, or having voting rights other than those granted to the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, generally;

3.5.3 *Deemed Liquidation Events, etc.* Authorize or approve any Deemed Liquidation Event, or other corporate reorganization, acquisition or liquidation, or voluntarily dissolve, liquidate or wind up of the affairs of the Corporation or voluntarily petition for bankruptcy or assignment for the benefit of creditors;

3.5.4 *Repurchase of Stock.* Purchase or redeem or otherwise acquire any capital stock of the Corporation, other than as provided in these Articles of Incorporation, or

pursuant to repurchases pursuant to stock restriction agreements approved by the Board of Directors upon termination of a consultant, director or employee;

3.5.5 *Dividends.* Declare or pay any dividend or distribution; or

3.5.6 *Board.* Change the size of the Board or alter the rights of the shareholders to designate and elect members to serve on the Board.

**4. Optional Conversion.** The holders of Preferred Stock shall have conversion rights as follows (the “*Conversion Rights*”):

4.1 Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing (i) the Series A Original Issue Price by the Series A Conversion Price (as defined below) in effect at the time of conversion, (ii) the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion, or (iii) the Series C Original Issue Price by the Series C Conversion Price (as defined below) in effect at the time of conversion, as applicable. The “*Series A Conversion Price*” shall initially be equal to Series A Original Issue Price. The Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided in this Section 4. The “*Series B Conversion Price*” shall initially be equal to the Series B Original Issue Price. The Series B Conversion Price, and the rate at which shares of Series B Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided in this Section 4. The “*Series C Conversion Price*” shall initially be equal to the Series C Original Issue Price. The Series C Conversion Price, and the rate at which shares of Series C Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided in this Section 4.

4.2 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock.

4.3 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder of Preferred Stock would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.4 Mechanics of Conversion.

4.4.1 *Notice of Conversion.* In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall

surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert any number of the shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, (i) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in **Section 4.3** in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

**4.4.2 Reservation of Shares.** The Corporation shall at all times when any shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of such Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable; 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 shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to these Articles of Incorporation. Before taking any action which would cause an adjustment reducing the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and

non-assessable shares of Common Stock at such adjusted Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable.

4.4.3 *Effect of Conversion.* All shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in **Section 4.3** and to receive payment of any dividends declared but unpaid thereon. Any shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, accordingly.

4.4.4 *No Further Adjustment.* Upon any such conversion, no adjustment to the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, shall be made for any declared but unpaid dividends on the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, surrendered for conversion or on the Common Stock delivered upon conversion.

4.4.5 *Taxes.* The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, pursuant to this **Section 4**. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock as applicable, so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance 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.

4.5 Adjustments to Conversion Price.

4.5.1 *Special Definitions.* For purposes of this **ARTICLE IV**, the following definitions shall apply:

(a) **“Option”** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) **“Series C Original Issue Date”** shall mean the date on which the first share of Series C Preferred Stock was issued.

(c) **“Convertible Securities”** shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) **“Additional Shares of Common Stock”** shall mean all shares of Common Stock issued (or, pursuant to **Section 4.5.3** below, deemed to be issued) by the Corporation after the Series C Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, **“Exempted Securities”**):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on a class or series of Preferred Stock;

(ii) shares of Common Stock issued upon conversion of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable;

(iii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by **Section 4.5, 4.6, 4.7 or 4.8**;

(iv) shares of Common Stock or Options issued or issuable to officers, directors or employees of, or consultants to, the Corporation under any stock incentive or stock option plan (**“Stock Plan”**) adopted by the Board of Directors;

(v) shares of Common Stock issued in connection with a public offering of the Corporation’s shares described in **Section 5.1**;

(vi) shares of Common Stock issued or issuable pursuant to stock option agreements or warrants outstanding or committed to by the Corporation as of the Series C Original Issue Date;

(vii) shares of Common Stock issued or issuable to banks, equipment lessors or other financial institutions in connection with commercial credit arrangements, equipment financings, real property lease transactions or similar transactions approved by the Board of Directors;

(viii) shares of Common Stock issued or issuable in connection with a strategic investment or the acquisition of intellectual property in transactions approved by the Board of Directors;

(ix) shares of Common Stock issued or issuable in connection with the acquisition by the Corporation of another business entity or majority ownership thereof, which is approved by the Board of Directors; or

(x) shares of Common Stock which are otherwise excluded by the affirmative vote or written consent of a Majority of the Preferred Shareholders.

**4.5.2 No Adjustment of Conversion Price.** No adjustment in the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from a Majority of the Preferred Shareholders that no such

adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

**4.5.3 Deemed Issue of Additional Shares of Common Stock.**

(a) If the Corporation at any time or from time to time after the Series C Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, pursuant to the terms of **Section 4.5.4**, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, to an amount which exceeds the lower of (i) the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Series A Conversion Price, Series B

Conversion Price, or Series C Conversion Price, as applicable, pursuant to the terms of **Section 4.5.4** (either because the consideration per share (determined pursuant to **Section 4.5.5**) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, then in effect, or because such Option or Convertible Security was issued before the Series C Original Issue Date), are revised after the Series C Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in **Section 4.5.3(a)**) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, pursuant to the terms of **Section 4.5.4**, the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, shall be readjusted to such Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, provided for in this **Section 4.5.3** shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this **Section 4.5.3**). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, that would result under the terms of this **Section 4.5.3** at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Series A Conversion Price, Series B Conversion Price, or Series C Conversion Price, as applicable, that such issuance or amendment took place at the time such calculation can first be made.

**4.5.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock.** In the event the Corporation shall at any time after the Series C Original Issue



Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to **Subsection 4.5.3**), without consideration or for a consideration per share less than the Series A Conversion Price, as applied to the Series A Preferred Stock, the Series B Conversion Price, as applied to the Series B Preferred Stock, or the Series C Conversion Price, as applied to the Series C Preferred Stock, in effect immediately prior to such issue (in each case, the “**Applicable Conversion Price**”), then the Applicable Conversion Price, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A+B) \div (A+C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(i) “**CP<sub>2</sub>**” shall mean the Applicable Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

(ii) “**CP<sub>1</sub>**” shall mean the Applicable Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(iii) “**A**” shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(iv) “**B**” shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP<sub>1</sub> (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP<sub>1</sub>); and

(v) “**C**” shall mean the number of such Additional Shares of Common Stock issued in such transaction.

**4.5.5 Determination of Consideration.** For purposes of this **Section 4.5**, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property. Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to **Section 4.5.3**, relating to Options and Convertible Securities, shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

**4.5.6 Multiple Closing Dates.** In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Applicable Conversion Price pursuant to the terms of **Section 4.5.4**, then, upon the final such issuance, the Applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

**4.6 Adjustment for Stock Splits and Combinations.** If the Corporation shall at any time or from time to time after the Series C Original Issue Date effect a subdivision of the outstanding Common Stock, the Series A Conversion Price, Series B Conversion Price, and Series C Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series C Original Issue Date combine the outstanding shares of Common Stock, the Series A Conversion Price, Series B Conversion Price, and Series C Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under

this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

#### 4.7 Adjustment for Dividends and Distributions.

##### 4.7.1 *Additional Shares of Common Stock.*

(a) In the event the Corporation at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Applicable Conversion Price then in effect by a fraction:

(i) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

(b) Notwithstanding the foregoing, (i) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Applicable Conversion Price shall be adjusted pursuant to this **Section 4.7** as of the time of actual payment of such dividends or distributions; and (ii) that no such adjustment shall be made if the holders of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as the case may be, simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as the case may be, had been converted into Common Stock on the date of such event.

4.7.2 *Other Securities.* In the event the Corporation at any time or from time to time after the Series C Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of **Section 1** do not apply to such dividend or distribution, then and in each such event the holders of Series C Preferred Stock and the holders of Series B Preferred Stock first shall receive in priority to the holders of Series A Preferred Stock and Common Stock, and then the holders of Series A Preferred Stock shall receive in priority to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities

or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of **Section 2.2**, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by **Sections 4.5, 4.6 or 4.7**), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board) shall be made in the application of the provisions in this **Section 4** with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this **Section 4** (including provisions with respect to changes in and other adjustments of the Applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Applicable Conversion Price pursuant to this **Section 4**, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as applicable, is convertible) and showing in detail the facts upon which such adjustment or readjustment is based.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten days prior to the record date or effective date for the event specified in such notice.

## **5. Mandatory Conversion**

5.1 **Trigger Events.** Upon either (a) the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least \$25,000,000 of proceeds, net of the underwriting discount and commissions, to the Corporation ("***Qualified IPO***") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of a Majority of the Preferred Shareholders (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "***Mandatory Conversion Time***"), (i) all outstanding shares of Preferred Stock (including all shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock) shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (ii) such shares may not be reissued by the Corporation.

5.2 **Procedural Requirements.** All holders of record of shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock pursuant to this **Section 5**. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, as applicable, shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock converted pursuant to **Section 5.1**, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender the certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of their certificate or certificates (or lost certificate affidavit and

agreement) therefor, to receive the items provided for in the next sentence of this **Section 5.2**. As soon as practicable after the Mandatory Conversion Time and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, as applicable, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in **Section 4.3** in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock converted. Such converted shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for shareholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock accordingly.

6. **Redeemed or Otherwise Acquired Shares**. Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following any such redemption or other acquisition.

7. **Waiver**. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock set forth herein, may be waived on behalf of all holders of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock by the affirmative written consent or vote of the holders of more than 50% of the issued and outstanding shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, as the case may be, voting together as a single group on an as-converted into Common Stock basis.

8. **Notices**. Any notice required or permitted by the provisions of this **ARTICLE IV** to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the IBCA, and shall be deemed sent upon such mailing or electronic transmission.

## **ARTICLE V**

Subject to any additional vote required by the Articles of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

## **ARTICLE VI**

Subject to any additional vote required by the Articles of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

## ARTICLE VII

Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

## ARTICLE VIII

Meetings of shareholders may be held within or without the State of Idaho, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Idaho at such place or places as may be designated from time to time by the Board or in the Bylaws of the Corporation.

## ARTICLE IX

To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. If the IBCA or any other law of the State of Idaho is amended after approval by the shareholders of this **ARTICLE IX** to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the IBCA as so amended.

Any repeal or modification of the foregoing provisions of this **ARTICLE IX** by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

## ARTICLE X

To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which IBCA permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 30-29-851 and Section 30-29-852 of the IBCA.

Any amendment, repeal or modification of the foregoing provisions of this **ARTICLE X** shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

## ARTICLE XI

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “*Excluded Opportunity*” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or

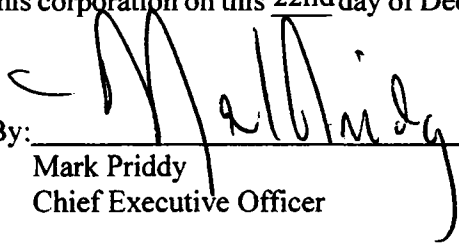
agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "***Covered Persons***"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

\* \* \*

3. That the foregoing amendment and restatement was approved by the board of directors and shareholders of the corporation in accordance with Section 30-29-1003 of the IBCA.

4. That these Amended and Restated Articles of Incorporation, which restate and integrate and further amend the provisions of this corporation's Articles of Incorporation, have been duly adopted in accordance with Sections 30-29-1003 and 30-29-1007 of the IBCA.

**IN WITNESS WHEREOF**, these Amended and Restated Articles of Incorporation have been executed by a duly authorized officer of this corporation on this 22nd day of December, 2020.

By:   
Mark Priddy  
Chief Executive Officer