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Colorado Secretary of State
 Date and Time: 08/04/2023 07:52 AM
 ID Number: 19931044294
 Document number: 20231820021
 Amount Paid: \$25.00

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Articles of Amendment

filed pursuant to §7-90-301, et seq. and §7-110-106 of the Colorado Revised Statutes (C.R.S.)

1. For the entity, its ID number and entity name are

ID number 19931044294
(Colorado Secretary of State ID number)
 Entity name Digital Asset Monetary Network, Inc.

2. The new entity name (if applicable) is _____.

3. *(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

☒ This document contains additional amendments or other information.

4. If the amendment provides for an exchange, reclassification or cancellation of issued shares, the attachment states the provisions for implementing the amendment.

5. *(Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)*

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are _____.
(mm/dd/yyyy hour:minute am/pm)

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CERTIFICATE OF DESIGNATIONS PREFERENCES AND RIGHTS
OF
SERIES CC 8% CUMULATIVE CONVERTIBLE PREFERRED STOCK
OF
DIGITAL ASSET MONETARY NETWORK, INC.
A COLORADO CORPORATION

August 3, 2023

CERTIFICATE OF DESIGNATION FOR THE
ESTABLISHMENT OF SERIES CC CUMULATIVE CONVERTIBLE PREFERRED

DIGITAL ASSET MONETARY NETWORK, INC., a corporation organized under the laws of the State of Colorado (the “**Corporation**”), by its Board of Directors and to the provisions of the Colorado Business Corporation Act and in accordance with the Colorado Revised Statutes (“**CRS**”), *et. seq.*, as amended from time to time, **DOES HEREBY CERTIFY**:

Pursuant to the authority expressly granted and vested in the Board of Directors by the provisions of the Corporation’s Amended and Restated Articles of Incorporation, dated July 7, 2015 (the “**Articles of Incorporation**”), the Board of Directors adopted the resolution , dated July 7, 2015 (i) authorizing the issuance of up to 11,000,000 shares of preferred stock of the Corporation, par value \$0.001 per share (in total the “**Preferred Stock**”), and (ii) providing for the designations, preferences and relative, participating, optional or other rights and the qualifications, limitations or restrictions thereof, of 11,000,000 shares of the preferred stock of the Corporation as follows:

NOW THEREFORE, BE IT RESOLVED, that pursuant to the authority expressly conferred upon the Board of Directors of the Corporation by the Corporation’s Articles of Incorporation, a series of convertible preferred stock of the Corporation be, and it hereby is, established from the 11,000,000 shares authorized, of which 9,000,000 shares that remain undesignated shares of the preferred stock of the Corporation, by designating a series of 200,000 (Two Hundred Thousand) shares of preferred stock of the Corporation, par value \$0.001 per share and a stated value equal to \$50 (the “**Stated Value**”), to be designated as its **Series CC Cumulative Convertible Preferred Stock**; and be it

RESOLVED, FURTHER, that pursuant to the authority vested in the Board of Directors of the Corporation by the Corporation’s Articles of Incorporation, the Board of Directors hereby designates the series of Series CC Convertible Preferred Stock of the Corporation and hereby states the number of shares, and fixes the powers, designations, preferences and relative, participating, optional and other rights, and the qualifications, limitations and restrictions thereof, of such series of shares as follows:

SERIES CC CONVERTIBLE PREFERRED STOCK

SECTION 1. Designation; Number of Shares; Rank.

(a) There shall be created and established from the 9,000,000 shares of Preferred Stock authorized and remaining to be issued by the Articles of Incorporation, a series of Preferred Stock designated as “Series CC Cumulative Convertible Preferred Stock” (hereinafter, the “**Convertible Preferred Stock**”), and the authorized number of shares constituting the Convertible Preferred Stock shall be 200,000 (Two Hundred thousand) shares. Such number of shares may be increased or decreased by resolution of the Board of Directors adopted and filed pursuant to the provisions of CRS, and by the filing of a certificate of increase or decrease with the Secretary of State of the State of Colorado; provided that no such decrease shall reduce the number of authorized shares of Convertible Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, warrants, convertible or exchangeable securities or other rights to acquire shares of Convertible Preferred Stock.

(b) The Convertible Preferred Stock, with respect to dividend rights and upon dissolution, liquidation, winding-up or dissolution of the Corporation, ranks (a) junior to the Series BB Convertible Preferred designated on July 1, 2017; (b) senior to all subsequent Junior Stock (as defined below); and (c) on a parity, in all respects, with all the Parity Stock (as defined below). The Corporation has the right to authorize and/or issue additional shares or classes or series of Junior Securities without the consent of the Holders, but such consent is required for the authorization or issuance of Parity Stock pursuant to Section 9.

SECTION 2. Definitions. As used in this Certificate of Designation, the following terms have the following meanings:

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

“**Alternate Consideration**” shall have the meaning assigned to such term in Section 3(d).

“**Articles of Incorporation**” shall have the meaning assigned to such term in the second paragraph of the preamble.

“**Beneficial Ownership Limitation**” shall have the meaning set forth in Section 6(d).

“**Board of Directors**” shall mean the Board of Directors of the Corporation or, with respect to any action to be taken by the Board of Directors, any committee of the Board of Directors duly authorized to take such action.

“**Book-Entry**” means each entry on the Register evidencing one or more shares held by a Holder in lieu of a Convertible Preferred Stock certificate issuable hereunder.

“**Business Day**” shall mean any day other than a Saturday, Sunday, or other day on which commercial banks in the City of New York are authorized or required by law or executive order to close.

“**Bylaws**” means the bylaws of the Corporation, as they may be amended from time to time.

“**Certificate of Designation**” means this Certificate of Designation relating to the Convertible Preferred Stock, as it may be amended from time to time.

“**Change of Control**” means any merger, consolidation, sale of stock or other business combination in which the Corporation is not the surviving entity or in which the Common Stock stockholders of the Corporation prior to the transactions beneficially own less than 51% of the Corporation’s voting power after giving effect to such transaction.

“**Close of Business**” shall mean 5:00 p.m. (New York City time).

“**Closing Bid Price**” of the Common Stock on any date shall mean the closing bid price per share on that date as reported on the NASDAQ Capital Market. If the Common Stock is not listed for trading on a U.S.

national or regional securities exchange on the relevant date, the “Closing Bid Price” will be the last quoted bid price for the Common Stock reported in the over-the-counter market on the relevant date. If the Common Stock is not so quoted, the “Closing Bid Price” will be the average of the mid-point of the last bid and ask prices for the Common Stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Corporation for this purpose.

“**Common Stock**” shall mean the common stock, par value \$0.001 per share, of the Corporation or any other capital stock of the Corporation into which such Common Stock shall be reclassified or changed.

“**Conversion Agent**” shall have the meaning assigned to such term in Section 16.

“**Conversion Date**” shall have the meaning assigned to such term in Section 6(a)(ii).

“**Convertible Preferred Stock**” shall have the meaning assigned to such term in Section 1.

“**Conversion Rate**” shall mean, the conversion price for the Convertible Preferred Stock shall equal the *greater of* (i) **\$0.35**; or (ii) **a 35% conversion from the Closing Bid Price if the Common Stock price is trading at \$1.25 or greater**, subject to adjustment herein as assigned to such term in Section 7.

“**Conversion Shares**” shall have the meaning assigned to such term in Section 6(a).

“**Corporation**” shall have the meaning assigned to such term in the first paragraph of the preamble.

“**CRS**” shall have the meaning assigned to such term in the first paragraph of the preamble.

“**Dividend Payment Date**” shall mean each April 1, July 1, October 1, and January 1, commencing on the subsequent date following the issuance of the Convertible Preferred Stock to the Holder.

“**Dividend Rate**” shall mean, cumulative dividends on each share of Convertible Preferred Stock shall accrue, on a quarterly basis in arrears, at the rate of Eight (8%) percent per annum on the Stated Value or the rate or percentage of which, as determined by the Board of Directors of the Corporation, directly or indirectly, declare or pay any dividends on its capital stock or otherwise make any distributions on its equity securities, or permit any of its subsidiaries to declare or pay any dividends on its capital stock or otherwise make any distributions on its equity securities.

“**Dividend Record Date**” shall mean, with respect to any Dividend Payment Date, the March 31, June 30, September 30, and December 31 immediately preceding such Dividend Payment Date.

“**Effective Date**” shall mean the date on which a Fundamental Change event is consummated.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**Fully Adjusted Conversion Rate**” shall have the meaning assigned to such term in Section 17(f).

“**Fundamental Change**” shall mean the occurrence of any of the following:

(a) the Corporation consolidates with, merges with or into, another Person, or any Person consolidates with, or merges with or into, the Corporation, other than pursuant to a transaction in which the Persons that “beneficially owned” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, the Corporation’s voting capital stock immediately prior to such transaction beneficially own, directly or indirectly, voting capital stock representing a majority of the total voting power of all outstanding classes of voting capital stock of the continuing or surviving Person in substantially the same proportion among themselves as such ownership immediately prior to such transaction; and

(b) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the Corporation's assets (determined on a consolidated basis) to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) other than pursuant to a transaction in which persons that "beneficially owned" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, the Corporation's voting capital stock immediately prior to such transaction beneficially own, directly or indirectly, voting capital stock representing a majority of the total voting power of such Person or group, and excluding license agreements with respect to any of the Corporation's products.

"Fundamental Change Notice" shall have the meaning assigned to such term in Section 9(a).

"Holder" or **"holder"** shall mean a holder of record of a share of the Convertible Preferred Stock (collectively, referred to as the **"Holders"**).

"Issue Date" shall mean the original date of issuance of the Convertible Preferred Stock to the Holder.

"Junior Stock" shall mean all classes of the Common Stock and each other class of capital stock or series of preferred stock of the Corporation established after the Issue Date by the Board of Directors, the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Convertible Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation.

"Liquidation Event" shall mean, (i) the liquidation, dissolution or winding-up, whether voluntary or involuntary, of the Corporation, (ii) the purchase or Optional Redemption pursuant to Section 3 by the Corporation of shares of any class of stock or the merger or consolidation of the Corporation with or into any other corporation or corporations, unless (a) the holders of the Convertible Preferred Stock receive securities of the surviving corporation having substantially similar rights as the Convertible Preferred Stock and the stockholders of the Corporation immediately prior to such transaction are holders of at least a majority of the voting securities of the successor corporation immediately thereafter (the **"Permitted Merger"**), unless the holders of the shares of Series CC Cumulative Convertible Preferred Stock elect otherwise or (b) the sale, license or lease of all or substantially all, or any material part of, the Corporation's assets, unless the holders of Convertible Preferred Stock elect otherwise. Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of capital stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series CC Cumulative Convertible Preferred Stock unless, prior thereto, the holders of shares of Series CC Cumulative Convertible Preferred Stock shall have received an amount per share of Series CC Cumulative Convertible Preferred Stock (the **"Series CC Liquidation Preference"**) equal to the greater of (i) the Stated Value (\$50.00) plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, and (ii) the Adjustment Number times the per share amount of all cash and other property to be distributed in respect of the Common Stock upon such liquidation, dissolution or winding up of the Corporation. In the event, however, that there are not sufficient assets available to permit payment in full of the Series CC Liquidation Preference and the liquidation preferences of all other classes and series of stock of the Corporation, if any, which rank on a parity with the Series CC Cumulative Convertible Preferred Stock, then the assets available for such distribution shall be distributed ratably to the holders of the Series CC Cumulative Convertible Preferred Stock and the holders of such parity shares in proportion to their respective liquidation preferences. Neither the merger or consolidation of the Corporation into or with another entity nor the merger or consolidation of any other entity into or with the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of a Liquidation Event.

"Mandatory Redemption Date" shall have the meaning assigned to such term in Section 3(b).

"Market Disruption Event" shall mean (i) a failure by the primary United States national securities or regional exchange or market on which the Common Stock is listed, admitted for trading or quoted to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any Trading Day for the Common Stock for an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options, contracts or future contracts relating to the Common Stock.

"Notice of Conversion" shall have the meaning assigned to such term in Section 6(a)(i).

“Open of Business” shall mean 9:30 a.m. (New York City time).

“Optional Redemption Date” shall have the meaning assigned to such term in Section 3(a).

“Parity Stock” shall mean any class of capital stock or series of preferred stock of the Corporation established after the Issue Date by the Board of Directors, the terms of which expressly provide that such class or series will rank on a parity with the Convertible Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

“Partially Adjusted Conversion Rate” shall have the meaning assigned to such term in Section 17(f).

“Paying Agent” shall have the meaning assigned to such term in Section 16.

“Person” shall mean any individual, corporation, general partnership, limited partnership, limited liability partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof.

“Preferred Stock” shall have the meaning assigned to such term in the second paragraph of the preamble.

“Record Date” shall mean, with respect to any dividend, distribution or other Transaction (assigned to such term in Section 7(g)) or event in which the holders of the Common Stock (or other security) have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of security holders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors, by statute, by contract or otherwise).

“Reference Property” shall have the meaning assigned to such term in Section 8.

“Registrar” shall have the meaning assigned to such term in Section 16.

“SEC” or **“Commission”** shall mean the Securities and Exchange Commission.

“Securities Act” shall mean the Securities Act of 1933, as amended.

“Senior Stock” shall mean (i) the Series BB Convertible Preferred designated on July 1, 2017; and (ii) each class of capital stock or series of preferred stock of the Corporation established after the Issue Date by the Board of Directors, the terms of which expressly provide that such class or series will rank senior to the Convertible Preferred Stock as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation.

“Scheduled Trading Day” shall mean any day that is scheduled to be a Trading Day. If the Common Stock is not so listed for trading or quotation on or by any exchange or quotation system, Scheduled Trading Day means a Business Day.

“Trading Day” shall mean a day during which (i) trading in the Common Stock generally occurs on The Nasdaq Capital Market, or if the Common Stock is not listed on the Nasdaq Capital Market, then the principal U.S. national or regional securities exchange or quotation medium on which the Common Stock is listed, admitted for trading or quoted or, if the Common Stock is not so listed, admitted for trading or quoted, any Business Day, and (ii) there is no Market Disruption Event. A Trading Day only includes those days that have a scheduled closing time of 4:02 p.m. (New York City time) or the then standard closing time for a regular full Trading Day on the relevant exchange or trading system. For the avoidance of doubt, Trading Day shall not include any Scheduled Trading Day with a scheduled closing time earlier than the then standard closing time for a regular full Trading Day even if such earlier closing time is the scheduled closing time for such day.

“**Transfer Agent**” shall have the meaning assigned to such term in Section 16.

“**Voting Stock**” of any Person means capital stock or other equity interests of any class or classes (however designated) having ordinary power for the election of directors or other similar governing body of such Person, other than stock or other equity interests having such power only by reason of the happening of a contingency.

“**VWAP**” means, for or as of any date, the dollar volume-weighted average price for such security on the principal trading market (or, if the principal market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30:01 a.m., New York time, and ending at 4:02:00 p.m., New York time, as reported by Bloomberg through its “HP” function (set to weighted average) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning the most current trading day at 9:30:01 a.m., New York time, and ending at 4:02:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the “pink sheets” by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Corporation and the Holder. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization, or other similar transaction during such period.

SECTION 3. Optional Redemption; Mandatory Redemption.

(a) Optional Redemption. The Convertible Preferred Stock shall be subject to optional redemption by the Corporation in its sole and absolute discretion at any time after the Issue Date to the Holder (the “**Optional Redemption Date**”). Notwithstanding anything to the contrary herein, on the Redemption Date, the Corporation may partially or fully repay to Holders of the Convertible Preferred Stock in respect of each share of Convertible Preferred Stock then outstanding a sum, in cash, equal to (i) Stated Value plus (ii) the product of (a) the Stated Value times (b) two-tenths (0.2) plus (iii) the amount equal to the accrued and unpaid dividends and distributions thereon through and including the Redemption Date owed to the Holder (the “**Optional Redemption Amount**”). For the avoidance of doubt, the Optional Redemption Amount is determined as follows:

$$\text{Optional Redemption Amount} = A * [SV + ((SV * 0.2) + DIV)]$$

A = the number of shares of Convertible Preferred Stock that are being redeemed by the Corporation.

SV = Stated Value.

DIV = accrued and unpaid dividends through and including the Optional Redemption Date.

(b) Mandatory Redemption. The Convertible Preferred Stock shall be subject to a mandatory redemption by the Corporation on the earlier of (i) two (2) years from the Issue Date of the Convertible Preferred Stock; or (ii) upon the Corporation’s Common Stock closing last price of \$3.50 or greater on any trading day (the “**Mandatory Redemption Date**”). Notwithstanding anything to the contrary herein, on the Mandatory Redemption Date, the Corporation shall pay to Holders of the Convertible Preferred Stock in respect of each share of Convertible Preferred Stock then outstanding an amount, either in Cash or in the Corporation’s Common Stock, whereby such choice of payment shall be in the Corporation’s sole and absolute discretion, equal to the, quotient of (a) the sum of (i) the number of Convertible Preferred Stock then converted times (ii) the Stated Value of such share of Convertible Preferred Stock, plus (iii) the amount equal to the accrued and unpaid dividends and distributions thereon through and including the Redemption Date owed to the Holder; divided by (b) the Conversion Rate in effect at any time and from time to time (the “**Mandatory Redemption Amount**”). For the avoidance of doubt, the Mandatory Redemption Amount is determined as follows:

$$\text{Mandatory Redemption Amount} = ((A * SV) + DIV) / CR$$

A = the number of shares of Convertible Preferred Stock that are being converted by the Holder.

SV = Stated Value.

CR = Conversion Rate.

DIV = accrued and unpaid dividends through and including the Mandatory Redemption Date.

(c) Effectiveness of Redemption. Upon payment of the full redemption price of a share of Convertible Preferred Stock, on and after the close of business on the Optional Redemption Date or the Mandatory Redemption Date, such shares of Convertible Preferred Stock shall cease to be outstanding and all rights with respect to such shares of Convertible Preferred Stock shall cease to accumulate and all rights whatsoever with respect to such shares shall terminate.

(d) Status of Redeemed Shares. Shares of Convertible Preferred Stock that are redeemed, repurchased, or otherwise acquired by the Corporation shall revert to authorized but unissued shares of Convertible Preferred Stock (provided that any such cancelled shares of Convertible Preferred Stock may be reissued only as shares of a series of Preferred Stock other than Convertible Preferred Stock).

(e) Shares Not Redeemed. If any shares of Convertible Preferred Stock are not redeemed by the Corporation pursuant to this Section 3 in connection with a Change in Control, then upon any subsequent conversion of such shares of Convertible Preferred Stock, the Holder shall have the right to receive, for each share of Common Stock that would have been issuable upon such conversion absent such Change In Control, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Change of Control if it had been, immediately prior to such Change of Control, the holder of one share of Common Stock (the “**Alternate Consideration**”). For purposes of any such conversion, the determination of the Conversion Rate shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Change in Control. If holders of Common Stock are given any choice as to the securities, cash, or property to be received in a Change in Control, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of its shares of Convertible Preferred Stock following such Change in Control. To the extent necessary to effectuate the foregoing provisions, any successor to the Corporation or surviving entity in such Change in Control shall file a new Certificate of Designation with the same terms and conditions and issue to the Holder new preferred stock consistent with the foregoing provisions and evidencing the Holder’s right to convert such preferred stock into Alternate Consideration. The terms of any agreement pursuant to which a Change in Control is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (e) and insuring that this Convertible Preferred Stock (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Change in Control. Notwithstanding the foregoing or any other provisions of this Certificate of Designation, in the event that the agreement relating to a Change in Control provides for the conversion or exchange of the Convertible Preferred Stock into equity or debt securities, cash or other consideration and the agreement is approved by the holders of a majority of the then-outstanding shares of Convertible Preferred Stock, then the holders of the Convertible Preferred Stock shall have only the rights set forth in such agreement.

SECTION 4. Dividends and Distributions.

(a) Holders of shares of Convertible Preferred Stock will be entitled to receive, out of funds legally available for such purpose, cumulative dividends at the Dividend Rate or at the Corporation’s option, in duly authorized, validly issued, fully paid and non-assessable shares of Common Stock as set forth in Section 4(b), or a combination thereof (the amount to be paid in shares of Common Stock, the “**Dividend Share Amount**”). Dividends on the Convertible Preferred Stock will be payable quarterly in arrears on each Dividend Payment Date at the Dividend Rate and shall accumulate from the most recent date to which dividends have been paid, or if no dividends have been paid, from the Issue Date. Dividends will be payable to holders of record as they appear on the Corporation’s stock register on the applicable Dividend Record Date. Accumulations of dividends on shares of Convertible Preferred Stock do not bear interest. Dividends payable on the Convertible Preferred Stock for any

period less than a full dividend period (based upon the number of calendar days elapsed during the period) will be computed on the basis of a 360-day year and actual days elapsed.

(b) Corporation's Ability to Pay Dividends in Cash or Kind. The Corporation shall promptly notify the Holders at any time the Corporation shall become able or unable, as the case may be, to legally pay cash dividends. If at any time the Corporation has the right to pay dividends in cash or shares of Common Stock, at the sole election of the Corporation, in any combination of cash or shares of Common Stock which shall be valued at the Conversion Rate. The Corporation must provide the Holders with at least twenty (20) Trading Days' notice of its election to pay a regularly scheduled dividend in shares of Common Stock (the Corporation may indicate in such notice that the election contained in such notice shall continue for later periods until revised by a subsequent notice). The aggregate number of shares of Common Stock otherwise issuable to a Holder on a Dividend Payment Date shall be reduced by the number of shares of Common Stock previously issued to such Holder in connection with such Dividend Payment Date. If any Dividend Conversion Shares are issued to a Holder in connection with a Dividend Payment Date and are not applied against a Dividend Share Amount, then such Holder shall promptly return such excess shares to the Corporation.

(c) No dividend will be declared or paid upon, or any sum set apart for the payment of dividends upon, any outstanding share of the Convertible Preferred Stock with respect to any dividend period unless all dividends for all preceding dividend periods have been declared and paid upon all outstanding shares of Convertible Preferred Stock.

(d) No dividends or other distributions in respect of shares of Junior Stock shall be declared or paid or set apart for payment on, and no purchase, redemption or other acquisition shall be made by the Corporation, of any shares of Junior Stock (except by conversion into or exchange for shares of Junior Stock) unless and until all accumulated, accrued and unpaid dividends on the Convertible Preferred Stock, including the full dividend for the then-current dividend period, shall have been paid or declared and set apart for payment.

(e) No dividends or other distributions in respect of shares of Parity Stock shall be declared or paid or set apart for payment on, and no purchase, redemption or other acquisition shall be made by the Corporation, of any shares of Parity Stock (except by conversion into or exchange for shares of Parity Stock or Junior Stock) unless and until full cumulative dividends have been, or contemporaneously are, paid or declared and set apart for payment on the Convertible Preferred Stock for all dividend periods terminating on or prior to the date of any such declaration, payment, setting apart, purchase, redemption or other acquisition.

(f) Dividends on the Convertible Preferred Stock will accrue regardless of whether: (i) the Corporation's agreements, including the Corporation's credit facilities, at any time prohibit the current payment of dividends, (ii) there are funds legally available for the payment of such dividends, or (iii) such dividends are authorized by the Board of Directors.

SECTION 5. Liquidation Preference.

(a) In the event of the voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, each holder of Convertible Preferred Stock will be entitled to receive and to be paid out of the assets of the Corporation available for distribution to the stockholders of the Corporation, before any payment or distribution is made to holders of Junior Stock (including the Common Stock), in respect of each share of Convertible Preferred Stock an amount equal to the Liquidation Preference, plus any accumulated and unpaid dividends on such shares to the date fixed for liquidation, winding-up or dissolution.

(b) Neither the sale of all or substantially all the assets or business of the Corporation (other than in connection with the liquidation, winding-up or dissolution of its business) nor the merger or consolidation of the Corporation into or with any other Person shall be deemed to be a liquidation, winding-up or dissolution, voluntary or involuntary, for the purposes of this Section 5.

(c) If, upon the voluntary or involuntary liquidation, winding-up or dissolution of the Corporation, the amounts payable with respect to the Liquidation Preference of the Convertible Preferred Stock and all Parity Stock

are not paid in full, the holders of the Convertible Preferred Stock and the Parity Stock will share equally and ratably in proportion to the number of shares of Convertible Preferred Stock held by each such holder on the date of the Liquidation Event or any distribution of assets of the Corporation in proportion to the full Liquidation Preference and accumulated and unpaid dividends to which they are entitled.

(d) After the payment to the holders of the shares of Convertible Preferred Stock of full amount of the Liquidation Preference and accumulated and unpaid dividends to which they are entitled, the holders of Convertible Preferred Stock as such shall have no right or claim to any of the remaining assets of the Corporation.

(e) Certain Events. For purposes of this Section 5, a Change of Control shall be treated as a Liquidation Event and shall entitle each Holder to receive, upon the consummation of such Change of Control, and at such Holder's option, cash in an amount equal to the Stated Value of such Holder's Convertible Preferred Stock.

SECTION 6. Conversion.

(a) At the Option of the Holder. Holders of Convertible Preferred Stock may convert any or all of their shares of Convertible Preferred Stock, at the option of the holder thereof and subject to notice requirements described herein, into that number of shares of Common Stock (subject to the limitations set forth in Section 6(d)) determined by the, quotient of (a) the sum of (i) the number of Convertible Preferred Stock then converted times (ii) the Stated Value of such share of Convertible Preferred Stock, plus (iii) the amount of accrued and unpaid dividends and distributions thereon for the number of shares of Convertible Preferred Stock that are being converted as of the date of the Conversion; divided by (b) the Conversion Rate in effect at any time and from time to time (the "**Conversion Shares**"), provided that, a minimum of six (6) months has elapsed from the issuance of such Convertible Preferred Stock, subject to the terms and provisions of this Section 6, provided further, that the Holder is still the shareholder of record of such Convertible Preferred Stock and the Convertible Preferred Stock has not been redeemed, subject to the terms and provisions of Section 3. For the avoidance of doubt, the Conversion Shares is determined as follows:

$$\text{Conversion Shares} = ((A * SV) + DIV) / CR$$

A = the number of shares of Convertible Preferred Stock that are being converted by the Holder.

DIV = the amount of accrued and unpaid dividends and distributions thereon for the number of shares of Convertible Preferred Stock that are being converted as of the date of the Conversion.

SV = Stated Value.

CR = Conversion Rate.

(i) Conversion Notice. A Holder shall effect a conversion by providing the Corporation with the form of conversion notice attached hereto as **Annex A** (a "**Notice of Conversion**"). Each Notice of Conversion shall specify the number of shares of Convertible Preferred Stock to be converted, the number of shares of Convertible Preferred Stock owned prior to the conversion at issue, the number of shares of Convertible Preferred Stock owned subsequent to the conversion at issue and the date on which such conversion is to be effected, which date may not be prior to the date the applicable Holder delivers by facsimile such Notice of Conversion to the Corporation. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. Each share of Convertible Preferred Stock shall be convertible into a number of fully paid and nonassessable shares of Common Stock (calculated as to each conversion to the nearest 1/100th of a share) equal to the Conversion Rate in effect at the close of business on the Conversion Date.

(ii) The conversion right of a Holder of Convertible Preferred Stock shall be exercised by the Holder by the surrender to the Corporation of the certificates representing the shares to be converted to the Corporation, accompanied by (A) written Notice of Conversion to the Corporation that the Holder elects to convert all or a portion of the shares of Convertible Preferred Stock represented by such certificate and specifying the name or names (with address) in which a certificate or certificates for shares of Common Stock are to be issued and (B) (if so

required by the Corporation or the Transfer Agent) by a written instrument or instruments of transfer in form reasonably satisfactory to the Corporation duly executed by the holder or its duly authorized legal representative and transfer tax stamps or funds therefor, if required. The date on which a Holder complies with the procedures in this Section 6(a) is the “**Conversion Date**.” If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder.

(iii) Upon any such conversion of any share of Convertible Preferred Stock, the Holder thereof shall also be entitled to receive a sum, in cash, equal to all declared and unpaid dividends thereon to the Conversion Date.

(iv) The Corporation shall deliver the shares of the Common Stock (in respect of the conversion obligation) and cash (in respect of any fractional shares and unpaid dividends) deliverable upon conversion no later than the seventh Trading Day immediately following the relevant Conversion Date.

(v) If fewer than all the shares of Convertible Preferred Stock evidenced by any such surrendered certificate or certificates, if any, are converted, the Corporation shall, as soon as practicable, issue and deliver to the holder of the Convertible Preferred Stock a new certificate evidencing the shares of Convertible Preferred Stock that are not subject to such conversion. On and after the close of business on the Conversion Date, the holder converting such shares shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, such shares of Convertible Preferred Stock shall cease to be outstanding, dividends with respect to such shares of Convertible Preferred Stock shall cease to accumulate and all rights whatsoever with respect to such shares (except the right to receive the Common Stock, any accrued and unpaid dividends to the date of such conversion in cash and any cash in lieu of fractional shares of Common Stock due in connection with such conversion in accordance with Section 10) shall terminate.

(b) Mechanics of Conversion.

(i) Delivery of Certificate Upon Conversion. Not later than five (5) Trading Days after each Conversion Date (the “**Share Delivery Date**”), the Corporation shall deliver, or cause to be delivered, to the converting Holder (A) a certificate or certificates representing the Conversion Shares which, on or the six (6) month anniversary of the Issue Date, representing the number of Conversion Shares being acquired upon the conversion of the Convertible Preferred Stock (including, if the Corporation has given continuous notice pursuant to Section 4(b) for payment of dividends in shares of Common Stock at least twenty (20) Trading Days prior to the date on which the Notice of Conversion is delivered to the Corporation, shares of Common Stock representing the payment of accrued dividends otherwise determined pursuant to Section 4(a) but assuming that the Dividend Notice Period is the twenty (20) Trading Days period immediately prior to the date on which the Notice of Conversion is delivered to the Corporation and excluding for such issuance the condition that the Corporation deliver the Dividend Share Amount as to such dividend payment prior to the commencement of the Dividend Notice Period), and (B) a bank check in the amount of accrued and unpaid dividends (if the Corporation has elected or is required to pay accrued dividends in cash). The Corporation shall use its best efforts to deliver any certificate or certificates required to be delivered by the Corporation under this Section 6(b) electronically through the Depository Trust Company (DTC), (DWAC), or another established clearing corporation performing similar functions.

(ii) Holder’s Delivery Requirements. Holder shall surrender to a common carrier for delivery to the Corporation as soon as practicable following such Conversion Date but in no event later than three (3) Business Days after such date the original certificates representing the shares of Convertible Preferred Stock being converted (or an indemnification undertaking with respect to such certificates in the case of their loss, theft or destruction) (the “**Preferred Stock Certificates**”) and the originally executed Conversion Notice.

(iii) Holdings Upon Conversion. Notwithstanding anything to the contrary set forth in this Section 6(b), upon conversion of any Convertible Preferred Stock held by the Holder in accordance with the terms and in accordance with Section 15 hereof. Each Holder and the Corporation shall maintain records showing the number of Convertible Preferred Stock so converted by such Holder and the dates of such conversions or shall use such other method, reasonably satisfactory to such Holder and the Corporation, so as not to require physical surrender of the certificate representing the Convertible Preferred Stock upon each such conversion. In the event of any dispute or discrepancy, such records of the Corporation establishing the number of Convertible Preferred Stock to which the

record holder is entitled shall be controlling and determinative in the absence of manifest error. A Holder and any transferee or assignee, by acceptance of a Book-Entry certificate, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of any Convertible Preferred Stock, the number of Convertible Preferred Stock represented by such Book-Entry certificate may be less than the number of Convertible Preferred Stock stated on the face thereof.

(iv) Taxes. The Corporation shall not be required to pay any tax or fees which may be payable in respect of any transfer involved in the issue and delivery or related to the receipt of Common Stock or other securities or property upon conversion, whether optional or mandatory, of the Convertible Preferred Stock in a name other than that of the Holder of the shares of Convertible Preferred Stock being converted, nor shall the Corporation be required to issue or deliver any such shares or other securities or property unless and until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of any such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

(c) Record Holder. The Person entitled to receive the shares of Common Stock issuable upon a Conversion of Convertible Preferred Stock shall be treated for all purposes as the record holder of such shares of Common Stock on the Conversion Date.

(d) Beneficial Ownership Limitation. The Corporation shall not effect any conversion of the Convertible Preferred Stock, and a Holder shall not have the right to convert any portion of the Convertible Preferred Stock, to the extent that, after giving effect to the conversion set forth on the applicable Notice of Conversion, such Holder (together with such Holder's Affiliates, and any Persons acting as a group together with such Holder or any of such Holder's Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such Holder and its Affiliates shall include the number of shares of Common Stock issuable upon conversion of the Convertible Preferred Stock with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted Stated Value of the Convertible Preferred Stock beneficially owned by such Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Corporation subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, the Convertible Preferred Stock or the Warrants) beneficially owned by such Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 6(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 6(d) applies, the determination of whether the Convertible Preferred Stock is convertible (in relation to other securities owned by such Holder together with any Affiliates) and of how many shares of the Convertible Preferred Stock are convertible shall be in the sole discretion of such Holder, and the submission of a Notice of Conversion shall be deemed to be such Holder's determination of whether the shares of the Convertible Preferred Stock may be converted (in relation to other securities owned by such Holder together with any Affiliates) and how many shares of the Convertible Preferred Stock are convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, each Holder will be deemed to represent to the Corporation each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Corporation shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 6(d), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Corporation's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Corporation or (iii) a more recent written notice by the Corporation or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Corporation shall within two Trading Days confirm orally and in writing to such Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Corporation, including the Convertible Preferred Stock, by such Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of Convertible Preferred Stock held by the applicable Holder. A

Holder, upon not less than 61 days' prior notice to the Corporation, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 6(d) applicable to its Convertible Preferred Stock provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Convertible Preferred Stock held by the Holder and the provisions of this Section 6(d) shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Corporation and shall only apply to such Holder and no other Holder. In the event that the issuance of shares of Common Stock to such Holder upon conversion of any Convertible Preferred Stock results in such Holder and the other Affiliate to such Holder being deemed to beneficially own, in the aggregate, more than the Beneficial Ownership Limitation of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the Exchange Act), the number of shares so issued by which such Holder's and the other Affiliate to such Holder's aggregate beneficial ownership exceeds the Beneficial Ownership Limitation (the "**Excess Shares**") shall be deemed *null and void* and shall be cancelled *ab initio*, and such Holder shall not have the power to vote or to transfer the Excess Shares. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Certificate of Designation in excess of the Beneficial Ownership Limitation shall not be deemed to be beneficially owned by such Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the Exchange Act. No prior inability to convert any Convertible Preferred Stock pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph may not be waived by the Corporation and shall apply to the successor holder of the Convertible Preferred Stock.

(e) Reservation of Shares; Compliance with Law; Listing. A number of shares of the authorized but unissued Common Stock sufficient to provide for the conversion of the Convertible Preferred Stock outstanding upon the basis hereinbefore provided shall at all times be reserved by the Corporation, free from preemptive rights, for such conversion, subject to the other provisions of this Section 6. If the Corporation shall issue any securities or make any change in its capital structure that would change the number of shares of Common Stock into which each share of the Convertible Preferred Stock shall be convertible as herein provided, the Corporation shall at the same time also make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Convertible Preferred Stock on the new basis. The Corporation shall comply with all securities laws regulating the offer and delivery of shares of Common Stock upon conversion of the Convertible Preferred Stock and shall use its best efforts to list such shares of Common stock on each national securities exchange on which the Common Stock is listed.

SECTION 7. Conversion Rate Adjustments.

(a) If the Corporation at any time after the Issue Date subdivides (by any stock split, stock dividend, recapitalization, reorganization, scheme, arrangement or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Rate in effect immediately prior to such subdivision will be proportionately reduced, as applicable. Any adjustment made under this Section 7(a) shall become effective immediately after the close of the business on the Record Date for such dividend or distribution, or immediately after the open of business on the effective date for such share split or share combination. If any dividend or distribution of the type described in this Section 7(a) is declared but not so paid or made, the Conversion, as applicable, shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(b) If the Corporation at any time after the Issue Date issues Common Stock (or is deemed to have issued or sold, any shares of Common Stock for a consideration per share (before deduction of reasonable expenses or commissions or underwriting discounts or allowances in connection therewith) less than the lowest Conversion Rate (if variable) in effect on the date of such issuance (or deemed issuance) of such shares of Common Stock (a "**Dilutive Issuance**"), then immediately upon the Dilutive Issuance, the Conversion Rate will be reduced to the amount of the consideration per share received by the Corporation in such Dilutive Issuance; provided that only one adjustment will be made for each Dilutive Issuance.

The Corporation shall be deemed to have issued or sold shares of Common Stock if the Corporation in any manner issues or grants any warrants, rights or options (not including employee stock option plans), whether or not immediately exercisable, to subscribe for or to purchase Common Stock or other securities convertible into or exchangeable for Common Stock (“**Convertible Securities**”) (such warrants, rights and options to purchase Common Stock or Convertible Securities are hereinafter referred to as “**Options**”) and the price per share for which Common Stock is issuable upon the exercise of such Options is less than the Conversion Price then in effect, then the Conversion Price shall be equal to such price per share. For purposes of the preceding sentence, the “price per share for which Common Stock is issuable upon the exercise of such Options” is determined by dividing (i) the total amount, if any, received or receivable by the Corporation as consideration for the issuance or granting of all such Options, *plus* the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the exercise of all such Options, *plus*, in the case of Convertible Securities issuable upon the exercise of such Options, the minimum aggregate amount of additional consideration payable upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the exercise of all such Options (assuming full conversion of Convertible Securities, if applicable). No further adjustment to the Conversion Price will be made upon the actual issuance of such Common Stock upon the exercise of such Options or upon the conversion or exchange of Convertible Securities issuable upon exercise of such Options.

Notwithstanding the foregoing, no adjustment will be made under this Section 7(b) in respect of an Exempt Issuance. “**Exempt Issuance**” means the issuance of (a) shares of Common Stock or options to employees, independent contractors, officers or directors of the Corporation pursuant to any (i) work or employment related agreement for the direct benefit of the Corporation, or (ii) stock or option plan duly adopted by a majority of the non-employee members of the Board of Directors of the Corporation or a majority of the members of a committee of non-employee directors established for such purpose, (b) shares of Common Stock and/or Common Stock purchase options issued to the vendors or consultants issued via *bona fide* non-Affiliate vendors of goods and services to the Corporation, not to exceed 1,000,000 shares, subject to adjustment for reverse and forward stock splits and the like, in any calendar year, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Corporation, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an asset in a business synergistic with the business of the Corporation and shall provide to the Corporation additional benefits in addition to the investment of funds, but shall not include a transaction in which the Corporation is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

(c) Except as stated herein, the Corporation will not adjust the Conversion Rate for the issuance of shares of the Common Stock or any securities convertible into or exchangeable for shares of the Common Stock or the right to purchase shares of the Common Stock or such convertible or exchangeable securities.

(d) To the extent that the Corporation has a rights plan in effect upon conversion of the shares of Convertible Preferred Stock into Common Stock, holders of the shares of Convertible Preferred Stock will receive, in addition to shares of the Common Stock received in connection with such conversion, the rights under the rights plan, unless prior to any conversion, the rights have separated from the Common Stock, in which case, and only in such case, the Conversion Rate will be adjusted at the time of separation as if the Corporation distributed to all holders of the Common Stock shares of its capital stock as described in Section 7(a) above, subject to readjustment in the event of the expiration, termination or redemption of such rights.

(e) Adjustments to the Conversion Rate will be calculated to the nearest 1/100th of a share. The Corporation will not be required to make an adjustment to the Conversion unless the adjustment requires a change of at least 1% in the Conversion Rate, as applicable. However, the Corporation will carry forward any adjustments that are less than 1% of the Conversion Rate and make such carried-forward adjustments; provided that, all such carried forward adjustments to the Conversion Rate shall be made on the conversion date of any shares of Convertible Preferred Stock or at the time the Corporation notifies holders of shares of Convertible Preferred Stock of a Fundamental Change as set forth in Section 9.

(f) The Conversion Rate shall be adjusted from time to time as follows:

(i) If, after the Issue Date, the Corporation (A) subdivides its outstanding Common Shares into a greater number of shares, (B) combines its outstanding Common Shares into a smaller number of shares or (C) issues any shares of Capital Stock by reclassification of its Common Shares (the events set forth in clauses (A), (B), and (C) above being hereinafter referred to as the “**Common Share Events**”), the Conversion Rate shall be adjusted so that the holder of any Convertible Preferred Stock thereafter converted shall be entitled to receive the number of Common Shares that such holder would have owned or have been entitled to receive after the happening of any Common Share Event had such Convertible Preferred Stock been converted immediately prior to the effective date of such subdivision, combination or reclassification. An adjustment made pursuant to this subparagraph (i) shall become effective immediately upon the opening of business on the day next following the applicable Record Date (subject to Section 7(g) below) in the case of a dividend or distribution and shall become effective immediately upon the opening of business on the day next following the effective date in the case of a subdivision, combination or reclassification.

(ii) No adjustment in the Conversion Rate shall be required unless such adjustment would require a cumulative increase or decrease of at least twenty-five (25%) percent in such price; provided, however, that any adjustments that by reason of this subparagraph (ii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment until made; and *provided, further*, that any adjustment shall be required and made in accordance with the provisions of this Section 7 (other than this subparagraph (ii)) not later than such time as may be required in order to preserve the tax-free nature of a distribution to the holders of Common Shares. All calculations under this Section 7 shall be made to the nearest cent (with \$.001 being rounded upward) or to the nearest one-one hundredth of a share, as the case may be.

(g) If the Corporation becomes party to any transaction (including, without limitation, a merger, consolidation, self-tender offer for all or substantially all Common Shares outstanding or recapitalization of the Common Shares but excluding any Common Share Events (each of the foregoing being referred to herein as a (“**Transaction**”)), in each case as a result of which Common Shares shall be converted into the right to receive stock, securities or other property (including cash or any combination thereof), each Convertible Preferred Stock that is not redeemed or converted into the right to receive stock, securities or other property in connection with such Transaction shall thereafter be convertible into the kind and amount of shares of stock, securities and other property (including cash or any combination thereof) receivable upon the consummation of such Transaction by a holder of that number of Common Shares into which one Convertible Preferred Stock was convertible immediately prior to such Transaction, assuming such holder of Common Shares (i) is not a Person with which the Corporation consolidated or into which the Corporation merged or which merged into the Corporation or to which such sale or transfer was made, as the case may be (a “**Constituent Person**”), or an Affiliate of a Constituent Person and (ii) failed to exercise his or her rights of the election, if any, as to the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction (*provided*, that if the kind or amount of stock, securities and other property (including cash) receivable upon such Transaction is not the same for each Common Share held immediately prior to such Transaction by other than a Constituent Person or an Affiliate thereof and in respect of which such rights of election shall not have been exercised (“**Non-Electing Share**”), then for the purpose of this Section 7(g) the kind and amount of stock, securities and other property (including cash) receivable upon such Transaction by each Non-Electing Share shall be deemed to be the kind and amount so receivable per share by a plurality of the Non-Electing Shares). The Corporation shall not be a party to any Transaction unless the terms of such Transaction are consistent with the provisions of this Section 7(g), and it shall not consent or agree to the occurrence of any Transaction until the Corporation has entered into an agreement with the successor or purchasing entity, as the case may be, for the benefit of the holders of the Convertible Preferred Stock that will contain provisions enabling the holders of the Convertible Preferred Stock that remain outstanding after such Transaction to convert their Convertible Preferred Stock into the consideration received by holders of Common Shares at the Conversion Rate in effect immediately prior to such Transaction. The provisions of this Section 7(g) shall similarly apply to successive Transactions.

SECTION 8. Recapitalizations, Reclassifications and Changes of the Common Stock. In the event of any of the following events which does not constitute a Fundamental Change:

(a) any consolidation, merger or combination involving the Corporation;

(b) any sale, lease, or other transfer to another person of all or substantially all of property and assets of the Corporation; or

(c) any statutory share exchange;

in each case, as a result of which the Common Stock would be converted into, or exchanged for, stock, other securities or other property or assets (including cash or any combination thereof), then, at and after the effective date of the transaction, the right to convert each share of Convertible Preferred Stock will be changed into a right to convert each such share of Convertible Preferred Stock into the kind and amount of shares of stock, other securities or other property or assets (including cash or any combination thereof) that a holder of a number of shares of the Common Stock equal to the Conversion Rate immediately prior to such transaction would have owned or been entitled to receive (the “**Reference Property**”) upon such transaction. If the transaction causes the Common Stock to be converted into, or exchanged for, the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election), the Reference Property into which the shares of Convertible Preferred Stock will be convertible will be deemed to be the weighted average of the types and amounts of consideration received by the holders of the Common Stock that affirmatively make such an election. The Corporation will notify holders of the weighted average as soon as practicable after such determination is made. The Corporation agrees not to become a party to any such transaction unless its terms are consistent with the foregoing. Within five (5) Business Days after the Effective Date of any of the foregoing events, the Corporation shall provide written notice to the each Holder of the Convertible Preferred Stock of the completion of the transaction, the effect of such transaction on such Holder’s Convertible Preferred Stock, and a description of the material terms of any consideration payable or issuable to such Holder in respect of such Holder’s Convertible Preferred Stock, including the designations, rights, privileges and preferences of any securities.

SECTION 9. Special Rights Upon a Fundamental Change.

(a) In the event that the Corporation is a party to a transaction or event described in clauses (a) or (b) of the definition of Fundamental Change, the Corporation must give notice of each such Fundamental Change (“**Fundamental Change Notice**”) to all record holders of the Convertible Preferred Stock at least twenty (20) Business Days prior to the anticipated Effective Date of the Fundamental Change.

(b) A Holder shall be entitled to elect an optional conversion of its Convertible Preferred Stock in accordance with Section 6(a) at any time on or before the Effective Date of such Fundamental Change. If a Holder elects not to exercise its conversion rights pursuant to Section 6 and this Section 9, such Holder’s Convertible Preferred Stock shall remain issued and outstanding and all other rights, privileges and preferences of the Convertible Preferred Stock set forth in this Certificate of Designation shall remain fully vested in each such Holder of Convertible Preferred Stock.

(c) The Fundamental Change Notice shall be given by first-class mail to each record Holder of shares of Convertible Preferred Stock, at such Holder’s address as the same appears on the books of the Corporation. Each such notice shall state (i) the anticipated Effective Date; (ii) that if optional conversion is elected by a Holder of Convertible Preferred Stock in connection with the Fundamental Change, all declared and unpaid dividends on the shares of Convertible Preferred Stock shall accrue to the Effective Date of the Fundamental Change.

(d) Upon any such conversion of any share of Convertible Preferred Stock in connection with a Fundamental Change, the holder thereof shall also be entitled to receive a sum, in cash, equal to all declared and unpaid dividends thereon to the Effective Date of the Fundamental Change.

(e) The Corporation shall deliver the shares of the Common Stock (in respect of the conversion obligation) and cash (in respect of any fractional shares and unpaid dividends) deliverable upon conversion no later than the fourth Trading Day immediately following the Effective Date of the Fundamental Change.

(f) On or before the Effective Date of the Fundamental Change, each Holder of shares of Convertible Preferred Stock wishing to exercise its conversion right pursuant to this Section 9 shall surrender the certificate or certificates representing the shares of Convertible Preferred Stock to be converted, in the manner and at the place designated in the Fundamental Change Notice.

(g) Within five (5) Business Days after the Effective Date of any Fundamental Transaction, the Corporation shall provide written notice to the each Holder of the Convertible Preferred Stock of the completion of the Fundamental Transaction, the effect of such transaction on such Holder's Convertible Preferred Stock, and a description of the material terms of any consideration payable or issuable to such Holder in respect of such Holder's Convertible Preferred Stock, including the designations, rights, privileges and preferences of any securities.

SECTION 10. Fractional Shares. If, upon conversion of the Convertible Preferred Stock, a holder would be entitled to receive a fractional interest in a share of the Common Stock, the Corporation will, upon conversion, pay in lieu of such fractional interest, cash in an amount equal to the product of (a) the Closing Sale Price of a share of Common Stock on the Trading Day immediately preceding the date on which shares of Common Stock are issued upon conversion of a share of Convertible Preferred Stock, and (b) such fraction of a share.

SECTION 11. Convertible Preferred Stock Redeemable or Exchangeable at Option of Corporation; No Sinking Fund. Except as set forth in Section 6, the Convertible Preferred Stock shall not be redeemable upon the request of Holders thereof or exchangeable for other capital stock or indebtedness of the Corporation or other property upon the request of holders thereof. The Corporation reserves the right to exchange the Holder's Convertible Preferred Stock for other capital stock or indebtedness of the Corporation or other property if the Corporation deems it to be in the best interests of the Corporation to do so and the Holders shall have no right to override this rights of the Corporation in that regard. The shares of Convertible Preferred Stock shall not be subject to the operation of a purchase, retirement or sinking fund.

SECTION 12. Voting Rights.

(a) Except as otherwise required by applicable law or as set forth herein, each share of Convertible Preferred Stock shall have two (2) that number of votes on all matters submitted to the stockholders that each stockholder of the Corporation's Common Stock is entitled to vote at each meeting of stockholders of the Corporation (and written actions of stockholders in lieu of meetings) with respect to any and all matters presented to the stockholders of the Corporation for their action and consideration. A holder of the Convertible Preferred Stock shall vote together with the holders of Common Stock as a single class.

(b) From and after the Issue Date until such time as at least fifty-one percent (51%) of the authorized and issued shares of Convertible Preferred Stock have been converted or redeemed, without the consent or affirmative vote of the Holders of at least sixty-six and two-thirds percent (66 and 2/3%) of the outstanding shares of Convertible Preferred Stock, voting separately as a class, the Corporation shall not: (i) authorize, create or issue any shares of any other class or series of Parity Stock (or any security convertible into Parity Stock), or (ii) amend, alter or repeal any provision of the Articles of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Convertible Preferred Stock. From and after the date on which at least fifty-one percent (51%) of the authorized and issued shares of Convertible Preferred Stock are no longer outstanding, the consent required of the holders of outstanding shares of Convertible Preferred Stock, voting separately as a class, pursuant to this paragraph (b) of Section 12 shall be reduced from sixty-six and two-thirds percent (66 and 2/3%) to a majority of the outstanding shares of Convertible Preferred Stock.

SECTION 13. Restrictive Covenant. As long as any shares of Convertible Preferred Stock are outstanding, unless the Holders of at least sixty-six and two-thirds percent (66 and 2/3%) of the outstanding shares of Convertible Preferred Stock, voting separately as a class, shall have otherwise given prior written consent, the Corporation shall not: (a) consummate a Liquidation Event, unless a distribution of cash proceeds to the Holders of shares of Convertible Preferred Stock in an aggregate amount equal to the Stated Value occurs upon the consummation of such Liquidation Event; (b) authorize, create or issue any shares of any class or series of Senior Stock (or any security convertible into Senior Stock), (c) amend this Certificate of Designation, the Articles of Incorporation or Bylaws, in any such case, in a manner that would alter or change the powers, preferences,

privileges or rights of the Convertible Preferred Stock or adversely affect the rights, preferences or privileges of the Convertible Preferred Stock; or (d) permit any of its subsidiaries (whether or not a Subsidiary on the Effective Date) to, directly or indirectly, amend this Certificate of Designation.

SECTION 14. Status of Convertible Preferred Stock Upon Retirement. Shares of Convertible Preferred Stock that are converted pursuant to Section 6 or Section 9 [or redeemed pursuant to Section 3] shall be retired pursuant to CRS, or any successor provision, and thereupon shall return to the status of authorized and unissued shares of Preferred Stock of the Corporation without designation as to series. Upon the conversion pursuant to Section 6 or Section 9 [or redeemed pursuant to Section 3] of all outstanding shares of Convertible Preferred Stock, all provisions of this Certificate of Designation shall cease to be of further effect. Upon the occurrence of such event, the Board of Directors of the Corporation shall have the power, pursuant to the provisions of CRS, or any successor provision, and without stockholder action, to cause this Certificate of Designation to be eliminated from the Corporation's Articles of Incorporation.

SECTION 15. Book-Entry, Certificates. Ownership of shares of Convertible Preferred Stock shall be registered by the Corporation via Book-Entry on the Corporation's Register. If so requested by the Holder in writing, at the Holder's sole expense, the Holder may request physical delivery of the Holder's shares evidenced by certificates issued by the Corporation to each Holder in accordance with the CRS and the Corporation's Articles of Incorporation and Bylaws. The Corporation may, in its sole discretion, deem the person in whose name shares of Convertible Preferred Stock shall be registered upon the registry books of the Corporation to be, and may treat them as, the absolute owner of the Convertible Preferred Stock for all purposes, and the Corporation shall not be affected by any notice to the contrary. All such payments and such conversion shall be valid and effective to satisfy and discharge the liabilities arising under this Certificate of Designations to the extent of the sum or sums so paid or the conversion so made.

SECTION 16. Transfer, Payment, and Conversion. The Convertible Preferred Stock may be presented to the Corporation at its principal place of business for transfer, payment, or conversion. The Corporation also shall maintain or cause to be maintained a register (the "**Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation shall provide for the recordation of the names and addresses of the Holders of each share of Convertible Preferred Stock (the "**Registered Preferred Shares**") and of transfers of shares of Convertible Preferred Stock for the purpose of recording shares of Convertible Preferred Stock and of transfers of shares of Convertible Preferred Stock as herein provided. The initial registrar for the Convertible Preferred Stock shall be the Corporation. The Corporation and each Holder of the Convertible Preferred Stock shall treat each Person whose name is recorded in the Register as the owner of Convertible Preferred Stock for all purposes (including the right to receive payments and dividends hereunder) notwithstanding notice to the contrary. A Registered Preferred Share may be assigned, transferred, or sold only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell one or more Registered Preferred Shares by such Holder thereof, the Corporation shall record the information contained therein in the Register and issue one or more new Registered Preferred Shares in the same aggregate Stated Value as the Stated Value of the surrendered Registered Preferred Shares to the designated assignee or transferee. In the event of any dispute or discrepancy, such records of the Corporation establishing the number of shares of Convertible Preferred Stock to which the record holder is entitled shall be controlling and determinative in the absence of manifest error.

The Corporation may appoint one or more additional transfer agents, paying agents and/or conversion agents in such other locations as it shall determine. The term "Transfer Agent" includes any additional transfer agent, the term "Paying Agent" includes any additional paying agent, and the term "Conversion Agent" includes any additional conversion agent. The Corporation may change any Transfer Agent, Paying Agent, or Conversion Agent without prior notice to any holder.

SECTION 17. Certain Other Provisions.

(a) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Certificate of Designation shall be governed by and construed and enforced in accordance with the internal laws of the State of Colorado, without regard to the principles of conflict of law, provision or rule thereof that would cause the application of the laws of any jurisdictions other than the State of Colorado. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated hereby or

in connection herewith or discussed herein (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the “**New York Courts**”). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any transaction relating to the purchase of the Convertible Preferred Stock), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Certificate of Designation and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Certificate of Designation or the transactions contemplated hereby. If either party shall commence an action or proceeding to enforce any provisions of this Certificate of Designation, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys’ fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding. **EACH OF THE HOLDER AND THE CORPORATION HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS CERTIFICATE OF DESIGNATIONS OR ANY TRANSACTION CONTEMPLATED HEREBY.**

(b) Miscellaneous. The Corporation and each Holder each, severally and not jointly, expressly acknowledges and agrees that: (i) this Section 17(b) constitutes an agreement to arbitrate between the Corporation and such Holder (and constitutes an arbitration agreement) under § 7501, et seq. of the New York Civil Practice Law and Rules (“**CPLR**”) and that any Holder (but only such Holder with respect to disputes solely relating to such Holder) is authorized to apply for an order to compel arbitration pursuant to CPLR § 7503(a) in order to compel compliance with this Section 17(b), (ii) the terms of this Certificate of Designations and each other applicable transaction document by and between the Corporation and the Holder (but only such Holder with respect to disputes solely relating to such Holder) shall serve as the basis for the resolution of the applicable dispute, (iii) the Corporation and such applicable Holder (but only such Holder with respect to disputes solely relating to such Holder) shall each have the right to submit any dispute described in Section 17(a) above to any state or federal court sitting in The City of New York, Borough of Manhattan in lieu of utilizing the procedures set forth in this Section 17(b) and (iv) nothing in this Section 17(b) shall limit such Holder from obtaining any equitable remedies (including, without limitation, with respect to any matters described in this Section 17(b)).

(c) Waiver. Any waiver by the Corporation or a Holder of a breach of any provision of this Certificate of Designation shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Designation or a waiver by any other Holders. The failure of the Corporation or a Holder to insist upon strict adherence to any term of this Certificate of Designation on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Designation. Any waiver by the Corporation or a Holder must be in writing.

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

(e) Headings. The headings of the various subdivisions hereof are for convenience only, do not constitute a part of this Certificate of Designation and shall not affect the interpretation of and not be deemed to limit or affect any of the provisions hereof.

(f) Electronic Means. In the event that any signature is delivered by electronic means, facsimile transmission or by an e-mail which contains a portable document format (“.pdf”), electronic signature, DocuSign, or other similar electronic means intended to preserve the original graphic and pictorial appearance of an executed notice or communication from the Corporation or a Holder, such signature shall have the same effect as physical delivery of the paper document bearing original signature and shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(g) Force Majeure. The occurrence of an event which materially interferes with the ability of the Corporation to perform its obligations or duties hereunder which is not within the reasonable control of the Corporation affected, not due to malfeasance, and which could not with the exercise of due diligence have been avoided (“**Force Majeure**”) including, but not limited to, fire, accident, labor difficulty, strike, riot, civil commotion, act of God, errors by shipping companies or change in Law shall not excuse the Corporation from the performance of its obligations or duties, but shall merely suspend such performance during the continuation of Force Majeure. The Corporation which has prevented from performing its obligations or duties because of Force Majeure shall promptly notify the Holder affected (the “**Other Party**”) of the occurrence and particulars of such Force Majeure and shall provide the Other Party, from time to time, with its best estimate of the duration of such Force Majeure and with notice of the termination thereof. The Corporation so affected shall use its best efforts to remove or ameliorate such causes of non-performance. Upon termination of Force Majeure, the performance of any suspended obligation or duty shall promptly recommence. The Corporation shall not be liable to the Other Party for any direct, indirect, consequential, incidental, special, punitive, or exemplary damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Convertible Preferred Stock by reason of the occurrence of Force Majeure.

(h) Holders of Convertible Preferred Stock may be entitled to preemptive rights to acquire additional capital stock of the Corporation pursuant to a corresponding subscription agreement, if any.

(i) Notwithstanding any provision herein to the contrary, if as a result of the occurrence of events beyond the Corporation’s control, the required adjustment to the Conversion Rate pursuant to this Certificate of Designation would require the Corporation to obtain stockholder approval in accordance with the stockholder approval rules of The Nasdaq Capital Market or the principal stock exchange or quotation medium on which the Common Stock is listed at the relevant time (such adjusted Conversion Rate requiring stockholder approval, the “**Fully Adjusted Conversion Rate**”), then the Corporation shall (A) initially adjust the Conversion Rate up to the maximum Conversion Rate (not to exceed the Fully Adjusted Conversion Rate) that would not require such stockholder approval (the “**Partially Adjusted Conversion Rate**”), and (B) promptly seek stockholder approval necessary to permit the Fully Adjusted Conversion Rate. Upon receipt of such stockholder approval, the Corporation shall further adjust the Partially Adjusted Conversion Rate to equal the Fully Adjusted Conversion Rate, as such Conversion Rate may be further adjusted pursuant to the Certificate of Designation.

(j) Whenever the Corporation is required to provide notice to Holders of the Convertible Preferred Stock of an Optional Redemption or Fundamental Change, in addition to any other notice hereunder, the Corporation shall issue a press release containing such information for publication on the Dow Jones News Service or Bloomberg Business News (or if such services are not available, another broadly disseminated news or press release service selected by it).

(k) All notice periods referred to herein shall commence on the date of the mailing of the applicable notice. Notice to any holder of the Convertible Preferred Stock shall be given to the registered address set forth in the Corporation’s records for such holder.

(l) With respect to any notice to a Holder of shares of Convertible Preferred Stock required to be provided hereunder, neither failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular Holder shall affect the sufficiency of the notice or the validity of the proceedings referred to in such notice with respect to the other Holders or affect the legality or validity of any distribution, rights, warrant, reclassification, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding-up, or the vote upon any such

action. Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the holder receives the notice.

(m) Any payments required to be made hereunder on any day that is not a Business Day shall be made on the next succeeding Business Day without interest or additional payment for such delay. Unless otherwise stated herein, any actions required to be made hereunder on any day that is not a Business Day shall be taken on the next succeeding Business Day.

(n) This Certificate of Designation shall become effective upon the filing thereof with the Secretary of State of the State of Colorado.

* * * * *

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

RESOLVED, FURTHER, that the Chairman, the president or any vice-president, and the secretary or any assistant secretary, of the Corporation be and they hereby are authorized and directed to prepare and file a Certificate of Designation of Preferences, Rights and Limitations in accordance with the foregoing resolution and the provisions of Colorado law.

IN WITNESS WHEREOF, the undersigned Chairperson and Chief Executive Officer on behalf of the Corporation does hereby declare and certify that this is the act and deed of the Corporation and accordingly has signed this Certificate of Designations as of August 3, 2023 (the “**Effective Date**”).

DIGITAL ASSET MONETARY NETWORK, INC.

DocuSigned by:

Ajene Watson

By:

7CD03DE7FC794DD...

Name: Ajene Watson

Title: Chief Executive Officer

[SIGNATURE PAGE TO CERTIFICATE OF DESIGNATION]

ANNEX A

NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES OF CONVERTIBLE PREFERRED STOCK)

The undersigned hereby elects to convert the number of shares of Series CC Convertible Preferred Stock indicated below into shares of common stock, par value \$0.001 per share (the “**Common Stock**”), of **DIGITAL ASSET MONETARY NETWORK, INC.**, a Colorado corporation (the “**Corporation**”), according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a Person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as may be required by the Corporation in accordance with the Purchase Agreement. No fee will be charged to the Holders for any conversion, except for any such transfer taxes.

Conversion calculations:

Date Series CC Convertible Preferred Stock acquired: _____

Date to Effect Conversion: _____

Accrued and unpaid dividends as of the date of the Conversion: _____

Number of shares of Convertible Preferred Stock owned prior to Conversion: _____

Number of shares of Convertible Preferred Stock to be Converted: _____

Number of shares of Common Stock to be Issued: _____

Applicable Conversion Price: _____

Number of shares of Convertible Preferred Stock subsequent to Conversion: _____

Address for Delivery: _____

or

DWAC Instructions:

Broker no: _____

Account no: _____

[HOLDER]

By: _____
Name:
Title: