

8-K - 2021-04-21

Form: 8-K

Filing date: 2021-04-21

Accession: 0001477932-21-002546

8-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 15, 2021**

Camber Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada	001-32508	20-2660243
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

15915 Katy Freeway, Suite 450, Houston, Texas, 77094
(Address of principal executive offices)

(210) 998-4035
(Registrant's telephone number, including area code)

1415 Louisiana, Suite 3500, Houston, Texas 77002
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value Per Share	CEI	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ?

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ?

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On April 15, 2021, Camber Energy, Inc. (the “Company”) filed with the State of Nevada certificates of correction (the “Certificates of Correction”) to correct the original designation of the Company’s Series C Redeemable Convertible Preferred Stock (the “Series C Preferred Stock”) and the subsequent amended and restated designations thereof, to correct certain errors which were identified in such designations as follows:

Section I.D.2(e) of the prior Certificates of Designation (the “Designations”) implicitly excluded as a “Deemed Liquidation Event”, an event or proposal that was initiated by or voted upon by the holder of the Series C Preferred Stock (the “Preferred Shares”), and the Designations have been clarified to expressly exclude such occurrence. Section I.F.4 of the Designations failed to include language to clarify that the Company is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Company. Section I.G.1 of the Designations mistakenly included two subsection b.’s where only one was intended, and the unintended subsection b. has been removed. Section I.G.1(e) of the Designations failed to include language to clarify that the Company not having sufficient authorized but unissued shares, solely within the control of the Company and excluding any event that is not solely within the control of the Company, is not a reason that would otherwise trigger the obligations in such section. Sections I.G.1(f) and (g) of the Designations failed to include language to clarify the particular obligations apply only if the Company has sufficient authorized and unissued shares. Section I.G.7(e) of the Designations mistakenly referenced the incorrect Conversion Price. Section I.G.9 of the Designations failed to include language to clarify the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Company, that the Dividend Maturity Date is to be indefinitely extended and suspended until sufficient authorized and unissued shares become available, the number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs and that all provisions of the Designations are to be interpreted so that net share settlement is within the control of the Company.

The corrections in the Certificates of Correction were effective as of the original filing dates with the Secretary of State of Nevada of the Company’s original Series C Preferred Stock designation (August 25, 2016), the Company’s first amended and restated Series C Preferred Stock designation (July 8, 2019), and the Company’s second amended and restated Series C Preferred Stock designation (December 14, 2020), subject to certain exceptions set forth in the Nevada Revised Statutes. The corrections corrected the designations to reflect the original intentions of the parties and to conform such designations to the way the Series C Preferred Stock had been accounted for in practice since its original designation/issuance.

On April 20, 2021, the Company filed a third amended and restated designation of the Series C Preferred Stock with the Secretary of State of Nevada (the “Third Amended and Restated Designation”), which amended the Designations to state that dividends and conversion premiums will only be paid in shares of Company common stock, and state that redemption amounts will only be paid in shares of Company common stock.

The foregoing descriptions of the Certificates of Correction, the Third Amended and Restated Designation, and their contents are qualified in their entirety by the full text of the Certificates of Correction and Certificate of Amendment, which are filed as Exhibits 3.1, 3.2, 3.3, and 3.4 to, and incorporated by reference in, this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number	Description of Exhibit
<u>3.1*</u>	<u>Certificate of Correction to Designation of Series C Preferred Stock, filed April 15, 2021</u>
<u>3.2*</u>	<u>Certificate of Correction to First Amended Designation of Series C Preferred Stock, filed April 15, 2021</u>
<u>3.3*</u>	<u>Certificate of Correction to Second Amended Designation of Series C Preferred Stock, filed April 15, 2021</u>
<u>3.4*</u>	<u>Certificate of Amendment to Designation of Series C Preferred Stock, filed April 20, 2021</u>

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

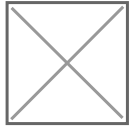
CAMBER ENERGY, INC.

Date: April 21, 2021

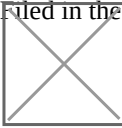
By: /s/ James A. Doris
Name: James A. Doris
Title: Chief Executive Officer

EX-3.1

EX-3.1 2 cej_ex31.htm CERTIFICATE OF CORRECTION TO DESIGNATION

EXHIBIT 3.1

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the Office of  Secretary of State State Of Nevada	Business Number C31179-2003
	Filing Number 20211387095
	Filed On 4/15/2021 11:12:00 AM
	Number of Pages 5

Certificate of Correction
(PURSUANT TO NRS CHAPTERS
78,
78A, 80, 81, 82, 84, 86, 87,
87A, 88,
88A, 89 AND 92A)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Correction
(Pursuant to NRS Chapters 78, 78A, 80, 81, 82, 84, 86, 87, 87A, 88, 88A, 89 and 92A)

1. The name of the entity for which correction is being made:

CAMBER ENERGY, INC. [C31179-2003]

2. Description of the original document for which correction is being made:

Certificate of Designation (Pursuant to NRS 78.1955) of Camber Energy, Inc.'s Series C Redeemable Convertible Preferred Stock [Document Number 00010398344-82]

3. Filing date of the original document for which correction is being made:

08/25/2016

4. Description of the inaccuracy or defect:

Section I.D.2(e) of the original Certificate of Designation (the "Designation") implicitly excluded as a "Deemed Liquidation Event", an event or proposal that was initiated by or voted upon by the holder of the Series C Redeemable Convertible Preferred Stock (the "Preferred Shares"), and the Designation has been clarified to expressly exclude such occurrence. Section I.F.4 of the Designation failed to include language to clarify the Corporation is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Corporation. Section I.G.1 of the Designation mistakenly included two subsection b's where only one was intended. The complete description of the inaccuracies and defects are set forth on Exhibit A.

5. Correction of the inaccuracy or defect:

Sections I.D.2(e), I.F.4, I.G.1, I.G.1(e), I.G.1(f), I.G.1(g), I.G.7.e and I.G.9 of the Certificate of Designation are corrected as stated on Exhibit A attached hereto.

6. Signature:

X /s/ James Doris

President & CEO

04/14/2021

Title*

Date

* If entity is a corporation, it must be signed by an officer if stock has been issued, OR an incorporator or director if stock has not been issued; a limited-liability company, by a manager or managing members; a limited partnership or limited-liability limited partnership, by a general partner; a limited-liability partnership, by a managing partner; a business trust, by a trustee.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

Nevada Secretary of State Correction
Revised: 1-5-15

EXHIBIT A
TO
CERTIFICATE OF CORRECTION

Description of Inaccuracies/Defects

Section I.D.2(e) of the original Certificate of Designation (the "Designation") implicitly excluded as a "Deemed Liquidation Event", an event or proposal that was initiated by or voted upon by the holder of the Series C Redeemable Convertible Preferred Stock (the "Preferred Shares"), and the Designation has been clarified to expressly exclude such occurrence. Section I.F.4 of the Designation failed to include language to clarify the Corporation is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Corporation. Section I.G.1 of the Designation mistakenly included two subsection b's where only one was intended, and the unintended subsection b. has been removed. Section I.G.1(e) of the Designation failed to include language to clarify that the Corporation not having sufficient authorized but unissued shares, solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation, is not a reason that would otherwise trigger the obligations in such section. Sections I.G.1(f) and (g) of the Designation failed to include language to clarify the particular obligations apply only if the Corporation has sufficient authorized and unissued shares. Section I.G.7.e of the Designation mistakenly referenced the incorrect Conversion Price. Section I.G.9 of the Designation failed to include language to clarify the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Corporation, that the Dividend Maturity Date is to be indefinitely extended and suspended until sufficient authorized and unissued shares become available, the number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs and that all provisions of the Designation are to be interpreted so that net share settlement is within the control of the Corporation.

Corrections to Certificate of Designation of Camber Energy, Inc.'s Series C Redeemable Convertible Preferred Stock

Section I.D.2 of the Designation is corrected to state as follows:

"A **"Deemed Liquidation Event"** will mean: (a) a merger or consolidation in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except (i) any such merger or consolidation involving the Corporation or a subsidiary in which the Corporation is the surviving or resulting corporation, (ii) any merger effected exclusively to change the domicile of the Corporation, (iii) any transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain more than 50% of the total voting power of such surviving entity, or (iv) the Merger; (b) Corporation issues convertible or equity securities that are senior to the Series C Preferred Stock in any respect, other than the securities issued in the

Merger; (c) Holder does not receive the number of Conversion Shares stated in a Delivery Notice with 5 Trading Days of the Notice Time, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; (d) trading of the Common Stock is halted or suspended by the Trading Market or any U.S. governmental agency for 10 or more consecutive trading days, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; or (e) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where one or more Holders initiate consideration of and vote upon a proposal for such sale, lease, transfer, exclusive license or other disposition, or it is to a wholly owned subsidiary of the Corporation, other than the Merger and except otherwise agreed to by holders holding a majority of the then outstanding Series C Preferred Stock.”

Section I.F.4 of the Designation is corrected to state as follows:

“4. **Mandatory Redemption**. If the Corporation determines to liquidate, dissolve or wind-up its business and affairs, or upon closing or occurrence of any Deemed Liquidation Event, the Corporation will after the redemption of the Series E and Series F Preferred Stock for ownership of Lineal Holdings, LLC, to the extent allowed under applicable law, but thereafter, prior to or concurrently with the closing, effectuation or occurrence any such action, redeem the Series C Preferred Stock for cash, by wire transfer of immediately available funds to an account designated by Holder, at the Early Redemption Price set forth in **Section I.F.2** if the event is prior to the Dividend Maturity Date, or at the Liquidation Value if the event is on or after the Dividend Maturity Date. Notwithstanding any other provision, the Corporation will not be required to redeem any shares of Series C Preferred Stock for cash solely because the Corporation does not have sufficient authorized but unissued shares of Common Stock to issue upon receipt of a Delivery Notice, upon a maturity conversion, or for any other reason that is not solely within the control of the Corporation.”

Section I.G.1.b of the Designation is corrected to state as follows:

“b. Each Delivery Notice will set forth the number of shares of Series C Preferred Stock being converted, the minimum number of Conversion Shares and the amount of Dividends and any applicable Conversion Premium due as of the time the Delivery Notice is given (the “Notice Time”), and the calculation thereof.”

Sections I.G.1 (e), (f) and (g) of the Designation are corrected to state as follows:

“e. If the Corporation for any reason, other than not having sufficient authorized and unissued shares, solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation, does not issue or cause to be issued to the Holder within 3 Trading Days after the date of a Delivery Notice, the number of Conversion Shares stated in the Delivery Notice, then, in addition to all other remedies available to the Holder, as liquidated damages and not as a penalty, the Corporation will pay in cash to the Holder on each day after such 3rd Trading Day that the issuance of such Conversion Shares is not timely effected an amount equal to 2% of the product of (i) the aggregate number of Conversion Shares not issued to the Holder on a timely basis and to which the Holder is entitled and (ii) the highest Closing Price of the Common Stock between the date on which the Corporation should have issued such shares to the Holder and the actual date of receipt of Conversion Shares by Holder. It is intended that the foregoing will serve to reasonably compensate Holder for any delay in delivery of Conversion Shares, and not as punishment for any breach by the Corporation. The Corporation acknowledges that the actual damages likely to result from delay in delivery are difficult to estimate and would be difficult for Holder to prove.

f. Notwithstanding any other provision: all of the requirements of **Section I.F** and this **Section I.G** are each independent covenants; if it has sufficient authorized and unissued shares, the Corporation’s obligations to issue and deliver Conversion Shares upon any Delivery Notice are absolute, unconditional and irrevocable; any breach or alleged breach of any

representation or agreement, or any violation or alleged violation of any law or regulation, by any party or any other person will not excuse full and timely performance of any of the Corporation's obligations under these sections; and under no circumstances may the Corporation seek or obtain any temporary, interim or preliminary injunctive or equitable relief to prevent or interfere with any issuance of Conversion Shares to Holder.

g. If for any reason whatsoever, other than not having sufficient authorized and unissued shares, Holder does not timely receive the number of Conversion Shares stated in any Delivery Notice, Holder will be entitled to a compulsory remedy of immediate specific performance, temporary, interim and, preliminary and final injunctive relief requiring Corporation and its transfer agent, attorneys, officers and directors to immediately issue and deliver the number of Conversion Shares stated by Holder, which requirement will not be stayed for any reason, without the necessity of posting any bond, and which Corporation may not seek to stay or appeal."

Section I.G.7.e of the Designation is corrected to state as follows:

"e. **"Conversion Price"** means a price per share of Common Stock equal to \$3.25 per share of Common Stock, subject to adjustment as otherwise provided herein."

Section I.G.9 of the Designation is corrected to state as follows:

"9. Conversion at Maturity. On the Dividend Maturity Date, all remaining outstanding Series C Preferred Stock will automatically be converted into shares of Common Stock, to the extent the Corporation has sufficient authorized but unissued shares of Common Stock available for issuance upon conversion. Notwithstanding any other provision of this Designation, available authorized and unissued shares of Common Stock will be a limit and cap on the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Corporation. The Corporation will at all times use its best efforts to authorize sufficient shares. The number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs. The Dividend Maturity Date will be indefinitely extended and suspended until sufficient authorized and unissued shares become available. All provisions of this Designation will be interpreted so that net share settlement is within the control of the Corporation."

EX-3.2

EX-3.2 3 cei_ex32.htm CERTIFICATE OF CORRECTION TO FIRST AMENDED DESIGNATION

EXHIBIT 3.2

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

 Secretary of State State Of Nevada	Business Number
	C31179-2003
	Filing Number
	20211387102
	Filed On
	4/15/2021 11:12:00 AM
	Number of Pages
	5

Certificate of Correction

(PURSUANT TO NRS CHAPTERS 78,
 78A, 80, 81, 82, 84, 86, 87, 87A, 88,
 88A, 89 AND 92A)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Correction**(Pursuant to NRS Chapters 78, 78A, 80, 81, 82, 84, 86, 87, 87A, 88, 88A, 89 and 92A)**

1. The name of the entity for which correction is being made:

CAMBER ENERGY, INC. [C31179-2003]

2. Description of the original document for which correction is being made:

Certificate of Designation (Pursuant to NRS 78.1955) of Camber Energy, Inc.'s Series C Redeemable
 Convertible Preferred Stock [Document Number 20190289543-73]

3. Filing date of the original document for which correction is being made:

07/08/2019

4. Description of the inaccuracy or defect:

Section I.D.2(e) of the original Certificate of Designation (the "Designation") implicitly excluded as a "Deemed Liquidation Event", an event or proposal that was initiated by or voted upon by the holder of the Series C Redeemable Convertible Preferred Stock (the "Preferred Shares"), and the Designation has been clarified to expressly exclude such occurrence. Section I.F.4 of the Designation failed to include language to clarify the Corporation is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Corporation. Section I.G.1 of the Designation mistakenly included two subsection b's where only one was intended. The complete description of the inaccuracies and defects are set forth on Exhibit A.

5. Correction of the inaccuracy or defect:

Sections I.D.2(e), I.F.4, I.G.1, I.G.1(e), I.G.1(f), I.G.1(g), I.G.7.e and I.G.9 of the Certificate of Designation are corrected as stated on Exhibit A attached hereto.

6. Signature:

X /s/ James Doris

President & CEO

04/14/2021

Title*

Date

* If entity is a corporation, it must be signed by an officer if stock has been issued, OR an incorporator or director if stock has not been issued; a limited-liability company, by a manager or managing members; a limited partnership or limited-liability limited partnership, by a general partner; a limited-liability partnership, by a managing partner; a business trust, by a trustee.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

Nevada Secretary of State Correction
Revised: 1-5-15

EXHIBIT A
TO
CERTIFICATE OF CORRECTION

Description of Inaccuracies/Defects

Section I.D.2(e) of the original Certificate of Designation (the "Designation") implicitly excluded as a "Deemed Liquidation Event", an event or proposal that was initiated by or voted upon by the holder of the Series C Redeemable Convertible Preferred Stock (the "Preferred Shares"), and the Designation has been clarified to expressly exclude such occurrence. Section I.F.4 of the Designation failed to include language to clarify the Corporation is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Corporation. Section I.G.1 of the Designation mistakenly included two subsection b's where only one was intended, and the unintended subsection b. has been removed. Section I.G.1(e) of the Designation failed to include language to clarify that the Corporation not having sufficient authorized but unissued shares, solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation, is not a reason that would otherwise trigger the obligations in such section. Sections I.G.1(f) and (g) of the Designation failed to include language to clarify the particular obligations apply only if the Corporation has sufficient authorized and unissued shares. Section I.G.7.e of the Designation mistakenly referenced the incorrect Conversion Price. Section I.G.9 of the Designation failed to include language to clarify the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Corporation, that the Dividend Maturity Date is to be indefinitely extended and suspended until sufficient authorized and unissued shares become available, the number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs and that all provisions of the Designation are to be interpreted so that net share settlement is within the control of the Corporation.

Corrections to Certificate of Designation of Camber Energy, Inc.'s Series C Redeemable Convertible Preferred Stock

Section I.D.2 of the Designation is corrected to state as follows:

"A **"Deemed Liquidation Event"** will mean: (a) a merger or consolidation in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except (i) any such merger or consolidation involving the Corporation or a subsidiary in which the Corporation is the surviving or resulting corporation, (ii) any merger effected exclusively to change the domicile of the Corporation, (iii) any transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain more than 50% of the total voting power of such surviving entity, or (iv) the Merger; (b) Corporation issues convertible or equity securities that are senior to the Series C Preferred Stock in any respect, other than the securities issued in the Merger; (c) Holder does not receive the number of Conversion Shares stated in a Delivery Notice with 5 Trading Days of the Notice Time, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; (d) trading of the Common Stock is halted or suspended by the Trading Market or any U.S. governmental agency for 10 or more consecutive trading days, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; or (e) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and

its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where one or more Holders initiate consideration of and vote upon a proposal for such sale, lease, transfer, exclusive license or other disposition, or it is to a wholly owned subsidiary of the Corporation, other than the Merger and except otherwise agreed to by holders holding a majority of the then outstanding Series C Preferred Stock.”

Section I.F.4 of the Designation is corrected to state as follows:

“4. Mandatory Redemption. If the Corporation determines to liquidate, dissolve or wind-up its business and affairs, or upon closing or occurrence of any Deemed Liquidation Event, the Corporation will after the redemption of the Series E and Series F Preferred Stock for ownership of Lineal Holdings, LLC, to the extent allowed under applicable law, but thereafter, prior to or concurrently with the closing, effectuation or occurrence any such action, redeem the Series C Preferred Stock for cash, by wire transfer of immediately available funds to an account designated by Holder, at the Early Redemption Price set forth in **Section I.F.2** if the event is prior to the Dividend Maturity Date, or at the Liquidation Value if the event is on or after the Dividend Maturity Date. Notwithstanding any other provision, the Corporation will not be required to redeem any shares of Series C Preferred Stock for cash solely because the Corporation does not have sufficient authorized but unissued shares of Common Stock to issue upon receipt of a Delivery Notice, upon a maturity conversion, or for any other reason that is not solely within the control of the Corporation.”

Section I.G.1.b of the Designation is corrected to state as follows:

“b. Each Delivery Notice will set forth the number of shares of Series C Preferred Stock being converted, the minimum number of Conversion Shares and the amount of Dividends and any applicable Conversion Premium due as of the time the Delivery Notice is given (the “Notice Time”), and the calculation thereof.”

Sections I.G.1 (e), (f) and (g) of the Designation are corrected to state as follows:

“e. If the Corporation for any reason, other than not having sufficient authorized and unissued shares, solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation, does not issue or cause to be issued to the Holder within 3 Trading Days after the date of a Delivery Notice, the number of Conversion Shares stated in the Delivery Notice, then, in addition to all other remedies available to the Holder, as liquidated damages and not as a penalty, the Corporation will pay in cash to the Holder on each day after such 3rd Trading Day that the issuance of such Conversion Shares is not timely effected an amount equal to 2% of the product of (i) the aggregate number of Conversion Shares not issued to the Holder on a timely basis and to which the Holder is entitled and (ii) the highest Closing Price of the Common Stock between the date on which the Corporation should have issued such shares to the Holder and the actual date of receipt of Conversion Shares by Holder. It is intended that the foregoing will serve to reasonably compensate Holder for any delay in delivery of Conversion Shares, and not as punishment for any breach by the Corporation. The Corporation acknowledges that the actual damages likely to result from delay in delivery are difficult to estimate and would be difficult for Holder to prove.

f. Notwithstanding any other provision: all of the requirements of **Section I.F** and this **Section I.G** are each independent covenants; if it has sufficient authorized and unissued shares, the Corporation’s obligations to issue and deliver Conversion Shares upon any Delivery Notice are absolute, unconditional and irrevocable; any breach or alleged breach of any representation or agreement, or any violation or alleged violation of any law or regulation, by any party or any other person will not excuse full and timely performance of any of the Corporation’s obligations under these sections; and under no circumstances may the Corporation seek or obtain any temporary, interim or preliminary injunctive or equitable relief to prevent or interfere with any issuance of Conversion Shares to Holder.

g. If for any reason whatsoever, other than not having sufficient authorized and unissued shares, Holder does not timely receive the number of Conversion Shares stated in any Delivery Notice, Holder will be entitled to a compulsory remedy of immediate specific performance, temporary, interim and, preliminary and final injunctive relief requiring Corporation and its transfer

agent, attorneys, officers and directors to immediately issue and deliver the number of Conversion Shares stated by Holder, which requirement will not be stayed for any reason, without the necessity of posting any bond, and which Corporation may not seek to stay or appeal.”

Section I.G.7.e of the Designation is corrected to state as follows:

“e. “**Conversion Price**” means a price per share of Common Stock equal to \$3.25 per share of Common Stock, subject to adjustment as otherwise provided herein.”

Section I.G.9 of the Designation is corrected to state as follows:

“9. **Conversion at Maturity.** On the Dividend Maturity Date, all remaining outstanding Series C Preferred Stock will automatically be converted into shares of Common Stock, to the extent the Corporation has sufficient authorized but unissued shares of Common Stock available for issuance upon conversion. Notwithstanding any other provision of this Designation, available authorized and unissued shares of Common Stock will be a limit and cap on the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Corporation. The Corporation will at all times use its best efforts to authorize sufficient shares. The number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs. The Dividend Maturity Date will be indefinitely extended and suspended until sufficient authorized and unissued shares become available. All provisions of this Designation will be interpreted so that net share settlement is within the control of the Corporation.”

EX-3.3

EX-3.3 4 cei_ex33.htm CERTIFICATE OF CORRECTION TO SECOND AMENDED DESIGNATION

EXHIBIT 3.3

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the Office of Secretary of State State Of Nevada	Business Number C31179-2003
	Filing Number 20211387097
	Filed On 4/15/2021 11:12:00 AM
	Number of Pages 5

Certificate of Correction

(PURSUANT TO NRS CHAPTERS 78,
 78A, 80, 81, 82, 84, 86, 87, 87A, 88,
 88A, 89 AND 92A)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Correction**(Pursuant to NRS Chapters 78, 78A, 80, 81, 82, 84, 86, 87, 87A, 88, 88A, 89 and 92A)**

1. The name of the entity for which correction is being made:

CAMBER ENERGY, INC. [C31179-2003]

2. Description of the original document for which correction is being made:

Certificate of Designation (Pursuant to NRS 78.1955) of Camber Energy, Inc.'s Series C Redeemable
 Convertible Preferred Stock [Document Number 20201101078]

3. Filing date of the original document for which correction is being made:

12/14/2020

4. Description of the inaccuracy or defect:

Section I.D.2(e) of the original Certificate of Designation (the "Designation") implicitly excluded as a "Deemed Liquidation Event", an event or proposal that was initiated by or voted upon by the holder of the Series C Redeemable Convertible Preferred Stock (the "Preferred Shares"), and the Designation has been clarified to expressly exclude such occurrence. Section I.F.4 of the Designation failed to include language to clarify the Corporation is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Corporation. Section I.G.1 of the Designation mistakenly included two subsection b's where only one was intended. The complete description of the inaccuracies and defects are set forth on Exhibit A.

5. Correction of the inaccuracy or defect:

Sections I.D.2(e), I.F.4, I.G.1, I.G.1(e), I.G.1(f), I.G.1(g), I.G.7.e and I.G.9 of the Certificate of Designation are corrected as stated on Exhibit A attached hereto.

6. Signature:

X /s/ James Doris

President & CEO

04/14/2021

Title*

Date

* If entity is a corporation, it must be signed by an officer if stock has been issued, OR an incorporator or director if stock has not been issued; a limited-liability company, by a manager or managing members; a limited partnership or limited-liability limited partnership, by a general partner; a limited-liability partnership, by a managing partner; a business trust, by a trustee.

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

Nevada Secretary of State Correction
Revised: 1-5-15

EXHIBIT A
TO
CERTIFICATE OF CORRECTION

Description of Inaccuracies/Defects

Section I.D.2(e) of the original Certificate of Designation (the "Designation") implicitly excluded as a "Deemed Liquidation Event", an event or proposal that was initiated by or voted upon by the holder of the Series C Redeemable Convertible Preferred Stock (the "Preferred Shares"), and the Designation has been clarified to expressly exclude such occurrence. Section I.F.4 of the Designation failed to include language to clarify the Corporation is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Corporation. Section I.G.1 of the Designation mistakenly included two subsection b's where only one was intended, and the unintended subsection b. has been removed. Section I.G.1(e) of the Designation failed to include language to clarify that the Corporation not having sufficient authorized but unissued shares, solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation, is not a reason that would otherwise trigger the obligations in such section. Sections I.G.1(f) and (g) of the Designation failed to include language to clarify the particular obligations apply only if the Corporation has sufficient authorized and unissued shares. Section I.G.7.e of the Designation mistakenly referenced the incorrect Conversion Price. Section I.G.9 of the Designation failed to include language to clarify the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Corporation, that the Dividend Maturity Date is to be indefinitely extended and suspended until sufficient authorized and unissued shares become available, the number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs and that all provisions of the Designation are to be interpreted so that net share settlement is within the control of the Corporation.

Corrections to Certificate of Designation of Camber Energy, Inc.'s Series C Redeemable Convertible Preferred Stock

Section I.D.2 of the Designation is corrected to state as follows:

"A "Deemed Liquidation Event" will mean: (a) a merger or consolidation in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except (i) any such merger or consolidation involving the Corporation or a subsidiary in which the Corporation is the surviving or resulting corporation, (ii) any merger effected exclusively to change the domicile of the Corporation, (iii) any transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain more than 50% of the total voting power of such surviving entity, or (iv) the Merger; (b) Corporation issues convertible or equity securities that are senior to the Series C Preferred Stock in any respect, other than the securities issued in the Merger; (c) Holder does not receive the number of Conversion Shares stated in a Delivery Notice with 5 Trading Days of the Notice Time, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely

within the control of the Corporation; (d) trading of the Common Stock is halted or suspended by the Trading Market or any U.S. governmental agency for 10 or more consecutive trading days, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; or (e) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where one or more Holders initiate consideration of and vote upon a proposal for such sale, lease, transfer, exclusive license or other disposition, or it is to a wholly owned subsidiary of the Corporation, other than the Merger and except otherwise agreed to by holders holding a majority of the then outstanding Series C Preferred Stock.”

Section I.F.4 of the Designation is corrected to state as follows:

“4. Mandatory Redemption. If the Corporation determines to liquidate, dissolve or wind-up its business and affairs, or upon closing or occurrence of any Deemed Liquidation Event, the Corporation will after the redemption of the Series E and Series F Preferred Stock for ownership of Lineal Holdings, LLC, to the extent allowed under applicable law, but thereafter, prior to or concurrently with the closing, effectuation or occurrence any such action, redeem the Series C Preferred Stock for cash, by wire transfer of immediately available funds to an account designated by Holder, at the Early Redemption Price set forth in **Section I.F.2** if the event is prior to the Dividend Maturity Date, or at the Liquidation Value if the event is on or after the Dividend Maturity Date. Notwithstanding any other provision, the Corporation will not be required to redeem any shares of Series C Preferred Stock for cash solely because the Corporation does not have sufficient authorized but unissued shares of Common Stock to issue upon receipt of a Delivery Notice, upon a maturity conversion, or for any other reason that is not solely within the control of the Corporation.”

Section I.G.1.b of the Designation is corrected to state as follows:

“b. Each Delivery Notice will set forth the number of shares of Series C Preferred Stock being converted, the minimum number of Conversion Shares and the amount of Dividends and any applicable Conversion Premium due as of the time the Delivery Notice is given (the “Notice Time”), and the calculation thereof.”

Sections I.G.1 (e), (f) and (g) of the Designation are corrected to state as follows:

“e. If the Corporation for any reason, other than not having sufficient authorized and unissued shares, solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation, does not issue or cause to be issued to the Holder within 3 Trading Days after the date of a Delivery Notice, the number of Conversion Shares stated in the Delivery Notice, then, in addition to all other remedies available to the Holder, as liquidated damages and not as a penalty, the Corporation will pay in cash to the Holder on each day after such 3rd Trading Day that the issuance of such Conversion Shares is not timely effected an amount equal to 2% of the product of (i) the aggregate number of Conversion Shares not issued to the Holder on a timely basis and to which the Holder is entitled and (ii) the highest Closing Price of the Common Stock between the date on which the Corporation should have issued such shares to the Holder and the actual date of receipt of Conversion Shares by Holder. It is intended that the foregoing will serve to reasonably compensate Holder for any delay in delivery of Conversion Shares, and not as punishment for any breach by the Corporation. The Corporation acknowledges that the actual damages likely to result from delay in delivery are difficult to estimate and would be difficult for Holder to prove.

f. Notwithstanding any other provision: all of the requirements of **Section I.F** and this **Section I.G** are each independent covenants; if it has sufficient authorized and unissued shares, the Corporation’s obligations to issue and deliver Conversion Shares upon any Delivery Notice are absolute, unconditional and irrevocable; any breach or alleged breach of any representation or agreement, or any violation or alleged violation of any law or regulation, by any party or any other person will not excuse full and timely performance of any of the Corporation’s obligations under these sections; and under no circumstances may the

Corporation seek or obtain any temporary, interim or preliminary injunctive or equitable relief to prevent or interfere with any issuance of Conversion Shares to Holder.

g. If for any reason whatsoever, other than not having sufficient authorized and unissued shares, Holder does not timely receive the number of Conversion Shares stated in any Delivery Notice, Holder will be entitled to a compulsory remedy of immediate specific performance, temporary, interim and, preliminary and final injunctive relief requiring Corporation and its transfer agent, attorneys, officers and directors to immediately issue and deliver the number of Conversion Shares stated by Holder, which requirement will not be stayed for any reason, without the necessity of posting any bond, and which Corporation may not seek to stay or appeal.”

Section I.G.7.e of the Designation is corrected to state as follows:

“e. **“Conversion Price”** means a price per share of Common Stock equal to \$3.25 per share of Common Stock, subject to adjustment as otherwise provided herein.”

Section I.G.9 of the Designation is corrected to state as follows:

“9. **Conversion at Maturity**. On the Dividend Maturity Date, all remaining outstanding Series C Preferred Stock will automatically be converted into shares of Common Stock, to the extent the Corporation has sufficient authorized but unissued shares of Common Stock available for issuance upon conversion. Notwithstanding any other provision of this Designation, available authorized and unissued shares of Common Stock will be a limit and cap on the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Corporation. The Corporation will at all times use its best efforts to authorize sufficient shares. The number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs. The Dividend Maturity Date will be indefinitely extended and suspended until sufficient authorized and unissued shares become available. All provisions of this Designation will be interpreted so that net share settlement is within the control of the Corporation.”

EX-3.4

EX-3.4 5 cej_ex34.htm CERTIFICATE OF AMENDMENT TO DESIGNATION

EXHIBIT 3.4

BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov

Filed in the Office of Secretary of State State Of Nevada	Business Number C31179-2003
	Filing Number 20211395798
	Filed On 04/20/2021 10:26:27 AM
	Number of Pages 17

Certificate, Amendment or Withdrawal of Designation

NRS 78.1955, 78.1955(6)

☐ **Certificate of Designation**

☐ **Certificate of Amendment to Designation - Before Issuance of Class or Series**

☒ **Certificate of Amendment to Designation - After Issuance of Class or Series**

☐ **Certificate of Withdrawal of Certificate of Designation**

TYPE OR PRINT - USE DARK INK ONLY - DO NOT HIGHLIGHT

1. Entity information:	Name of entity: CAMBER ENERGY, INC.		
	Entity or Nevada Business Identification Number (NVID): NV20031543580		
2. Effective date and time:	For Certificate of Designation or Date:		Time:
	Amendment to Designation Only (Optional): (must not be later than 90 days after the certificate is filed)		
3. Class or series of stock: (Certificate of Designation only)	The class or series of stock being designated within this filing:		

4. Information for amendment of class or series of stock:	The original class or series of stock being amended within this filing: Series C Redeemable Convertible Preferred Stock
5. Amendment of class or series of stock:	☐ Certificate of Amendment to Designation- Before Issuance of Class or Series As of the date of this certificate no shares of the class or series of stock have been issued. ☒ Certificate of Amendment to Designation- After Issuance of Class or Series The amendment has been approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation.
6.Resolution: (Certificate of Designation and Amendment to Designation only)	By resolution of the board of directors pursuant to a provision in the articles of incorporation this certificate establishes OR amends the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following class or series of stock.*
7. Withdrawal:	Designation being _____ Date of _____ Withdrawn: _____ Designation: _____ No shares of the class or series of stock being withdrawn are outstanding. The resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock: *
8. Signature: (Required)	X <u>James Doris</u> _____ Date: _____ 04/20/2021  Signature of Officer

This form must be accompanied by appropriate fees.

Filed in the Office of  Secretary of State State Of Nevada	Business Number C31179-2003
	Filing Number 20211395798
	Filed On 04/20/2021 10:26:27 AM
	Number of Pages 17

CAMBER ENERGY, INC.

**THIRD AMENDED AND RESTATED
CERTIFICATE OF DESIGNATIONS OF PREFERENCES, POWERS,
RIGHTS AND LIMITATIONS OF
SERIES C REDEEMABLE CONVERTIBLE PREFERRED STOCK**

Pursuant to Section 78.1955 of the Nevada Revised Statutes (the “**NRS**”), Camber Energy, Inc., a company organized and existing under the State of Nevada (the “**Corporation**”),

DOES HEREBY CERTIFY that, (a) the Board of Directors, by unanimous written consent of all members of the Board of Directors on April 14, 2021; and (b) the stockholders of the Series C Redeemable Convertible Preferred Stock of the Corporation, voting as a class, on April 14, 2021, duly adopted this Third Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock, by adoption of a resolution which reads as follows, and which shall amend, replace and supersede the *Second Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock*, previously filed by the Corporation with the Secretary of State of Nevada on December 14, 2020 (as amended to date, the “**Prior Designation**”), which resolution is and reads as follows:

WHEREAS, the Certificate of Incorporation of the Corporation provides for a class of its authorized stock known as preferred stock, comprised of 10,000,000 shares, \$0.001 par value per share (the “**Preferred Stock**”), issuable from time to time in one or more series;

WHEREAS, the Board of Directors of the Corporation is authorized to fix the dividend rights, dividend rate, powers, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of Preferred Stock and the number of shares constituting any Series and the designation thereof, of any of them;

WHEREAS, it is the desire of the Board of Directors of the Corporation, pursuant to its authority as aforesaid and as set forth in this Second Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock (the “**Designation**”), to designate the rights, preferences, restrictions and other matters relating to the Series C Redeemable Convertible Preferred Stock, which will consist of up to 5,000 shares of the Preferred Stock which the Corporation has the authority to issue, and which shall amend, supersede and replace the Prior Designation, as follows:

NOW, THEREFORE, BE IT RESOLVED, that the Preferred Stock shall have the following powers, rights, preferences, and restrictions as follows:

I. Terms of Preferred Stock.

A. Designation and Amount. A series of Preferred Stock is hereby designated as the Corporation’s Series C Redeemable Convertible Preferred Stock, par value of \$0.001 per share (the “**Series C Preferred Stock**”), the number of shares of which so designated are 5,000 shares of Series C Preferred Stock; which Series C Preferred Stock will not be subject to increase without any consent of the holders of the Series C Preferred Stock (each a “**Holder**” and collectively, the “**Holders**”) that may be required by

applicable law.

B. Ranking and Voting.

1. Ranking. The Series C Preferred Stock will, with respect to dividend rights and rights upon liquidation, winding-up or dissolution, rank: (a) senior to the Corporation's Common Stock, \$0.001 par value per share ("**Common Stock**"); (b) junior to the Series E Redeemable Convertible Preferred Stock and Series F Redeemable Convertible Preferred Stock, as such may be designated as of the date of this Designation, or which may be designated by the Corporation after the date of this Designation (the "**Series E and F Preferred**") as to the Lineal Star Assets but senior to the Series E and F Preferred as to all other assets of the Company; (c) senior, *pari passu* or junior with respect to any other series of Preferred Stock, as set forth in the Certificate of Designations of Preferences, Powers, Rights and Limitations with respect to such Preferred Stock; and (d) junior to all existing and future indebtedness of the Corporation. Without the prior written consent of the Holders of a majority of the outstanding shares of Series C Preferred Stock (voting separately as a single class), the Corporation may not issue any additional shares of Series C Preferred Stock, or any other Preferred Stock that is *pari passu* or senior to the Series C Preferred Stock with respect to any rights for a period of 1 year after the earlier of such date (i) a registration statement is effective and available for the resale of all Conversion Shares, or (ii) Securities Act Rule 144 is available for the immediate unrestricted resale of all Conversion Shares, other than the Series E and Series F Preferred Stock.

2. Voting. Except as required by applicable law or as set forth herein, the holders of shares of Series C Preferred Stock will have no right to vote on any matters, questions or proceedings of this Corporation including, without limitation, the election of directors except: (a) during a period where a dividend (or part of a dividend) is in arrears; (b) on a proposal to reduce the Company's share capital; (c) on a resolution to approve the terms of a buy-back agreement; (d) on a proposal to wind up the Company; (e) on a proposal for the disposal of all or substantially all the Company's property, business and undertaking; and (f) during the winding-up of the entity.

C. Dividends.

1. Commencing on the date of the issuance of any such shares of Series C Preferred Stock (each respectively an "**Issuance Date**"), each outstanding share of Series C Preferred Stock will accrue cumulative dividends ("**Dividends**"), at a rate equal to 6.0% per annum, subject to adjustment as provided in this Certificate of Designations ("**Dividend Rate**"), of the Face Value. Dividends will be payable with respect to any shares of Series C Preferred Stock upon any of the following: (a) upon redemption of such shares in accordance with **Section I.F**; (b) upon conversion of such shares in accordance with **Section I.G**; and (c) when, as and if otherwise declared by the board of directors of the Corporation.

2. Dividends, as well as any applicable Conversion Premium payable hereunder, will be paid in shares of Common Stock valued at (i) if there has never been a Trigger Event, (A) 95.0% of the average of the 5 lowest individual daily volume weighted average prices of the Common Stock on the Trading Market during the applicable Measurement Period, which may be non-consecutive, less \$0.05 per share of Common Stock, not to exceed (B) 100% of the lowest sales price on the last day of such Measurement Period less \$0.05 per share of Common Stock, or (ii) following any Trigger Event, (A) 85.0% of the lowest daily volume weighted average price during any Measurement Period for any conversion by Holder, less \$0.10 per share of Common Stock, not to exceed (B) 85.0% of the lowest sales price on the last day of any Measurement Period, less \$0.10 per share of Common Stock. In no event will the value of Common Stock pursuant to the foregoing be below the par value per share. All amounts that are required or permitted to be paid in cash pursuant to this Certificate of Designations will be paid by wire transfer of immediately available funds to an account designated by Holder.

3. So long as any shares of Series C Preferred Stock are outstanding, the Company will not repurchase shares of Common Stock other than as payment of the exercise or conversion price of a convertible security or payment of withholding tax, and no dividends or other distributions will be paid, declared or set apart with respect to any Common Stock, except for Purchase Rights.

D. Protective Provision.

1. So long as any shares of Series C Preferred Stock are outstanding, the Corporation will not, without the affirmative approval of the Holders of a majority of the shares of the Series C Preferred Stock then outstanding (voting separately as one class), (i) alter or change adversely the powers, preferences or rights given to the Series C Preferred Stock or alter or amend this Certificate of Designations, (ii) authorize or create any class of stock ranking as to distribution of dividends senior to the Series C

Preferred Stock, (iii) amend its certificate of incorporation or other charter documents in breach of any of the provisions hereof, (iv) increase the authorized number of shares of Series C Preferred Stock or (v) enter into any agreement with respect to the foregoing.

2. A “**Deemed Liquidation Event**” will mean: (a) a merger or consolidation in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except (i) any such merger or consolidation involving the Corporation or a subsidiary in which the Corporation is the surviving or resulting corporation, (ii) any merger effected exclusively to change the domicile of the Corporation, (iii) any transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain more than 50% of the total voting power of such surviving entity, or (iv) the Merger; (b) Corporation issues convertible or equity securities that are senior to the Series C Preferred Stock in any respect, other than the securities issued in the Merger; (c) Holder does not receive the number of Conversion Shares stated in a Delivery Notice with 5 Trading Days of the Notice Time, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; (d) trading of the Common Stock is halted or suspended by the Trading Market or any U.S. governmental agency for 10 or more consecutive trading days, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; or (e) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where one or more Holders initiate consideration of and vote upon a proposal for such sale, lease, transfer, exclusive license or other disposition, or it is to a wholly owned subsidiary of the Corporation, other than the Merger and except otherwise agreed to by holders holding a majority of the then outstanding Series C Preferred Stock.

3. The Corporation will not have the power to close or effect a voluntary Deemed Liquidation Event unless the agreement or plan of merger or consolidation for such transaction provides that the consideration payable to the stockholders of the Corporation will be allocated among the holders of capital stock of the Corporation in accordance with **Section I.E**, and the required amount is paid to Holder prior to or upon closing, effectuation or occurrence of the Deemed Liquidation Event.

E. Liquidation.

1. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment or provision for payment of debts and other liabilities of the Corporation, prior to any distribution or payment made to the holders of Preferred Stock or Common Stock by reason of their ownership thereof, the Holders of Series C Preferred Stock will be entitled to be paid out of the assets of the Corporation (other than the Lineal Star Assets) available for distribution to its stockholders an amount with respect to each share of Series C Preferred Stock equal to \$10,000.00 (“**Face Value**”), plus an amount equal to any accrued but unpaid Dividends thereon (collectively with the Face Value, the “**Liquidation Value**”).

2. If, upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the amounts payable with respect to the shares of Series C Preferred Stock are not paid in full, the holders of shares of Series C Preferred Stock will share equally and ratably with the holders of shares of Preferred Stock and Common Stock in any distribution of assets of the Corporation (other than the Lineal Star Assets) in proportion to the liquidation preference and an amount equal to all accumulated and unpaid Dividends, if any, to which each such holder is entitled.

3. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation will be insufficient to make payment in full to all Holders, then the assets distributable to the Holders will be distributed among the Holders at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

F. Redemption.

1. Corporation's Redemption Option. On the Dividend Maturity Date, the Corporation may redeem any or all shares of Series C Preferred Stock by paying Holder, in registered or unregistered shares of Common Stock valued at an amount per share equal to 100% of the Liquidation Value for the shares redeemed, and the Corporation will use its best efforts to register such shares.

2. Early Redemption. Prior to the Dividend Maturity Date, provided that no Trigger Event has occurred, the Corporation will have the right at any time upon 30 Trading Days' prior written notice, in its sole and absolute discretion, to redeem all or any portion of the shares of Series C Preferred Stock then outstanding by paying Holder in registered shares of Common Stock valued at an amount per share of Series C Preferred Stock (the "**Early Redemption Price**") equal to the sum of the following: (a) 100% of the Face Value, plus (b) the Conversion Premium, minus (c) any Dividends that have been paid, for each share of Series C Preferred Stock redeemed. Provided Company has not materially breached the Stock Purchase Agreement, the Corporation may at any time, in its sole and absolute discretion, redeem all, but not less than all, shares of Series C Preferred Stock then outstanding by paying Holders in registered shares of Common Stock valued at an amount per share of Series C Preferred Stock (the "**Total Redemption Price**") equal to 110.0% of the aggregate Face Value of all such shares.

3. Credit Risk Adjustment.

a. The Dividend Rate will adjust downward by an amount equal to the Spread Adjustment for each amount, if any, equal to the Adjustment Factor that the Measuring Metric rises above the Maximum Triggering Level, down to a minimum of 0.0%.

b. The Dividend Rate will adjust upward by an amount equal to the Spread Adjustment for each amount, if any, equal to the Adjustment Factor that the Measuring Metric falls below the Minimum Triggering Level, up to a maximum of 24.95%. In addition, the Dividend Rate will adjust upward by 10.0% following the occurrence of any Trigger Event.

c. The adjusted Dividend Rate used for calculation of the Liquidation Value, Conversion Premium, Early Redemption Price and Dividend, as applicable, and the amount of Dividends owed will be calculated and determined based upon the Measuring Metric at close of the Trading Market immediately prior to the Notice Time.

4. Mandatory Redemption. If the Corporation determines to liquidate, dissolve or wind-up its business and affairs, or upon closing or occurrence of any Deemed Liquidation Event, the Corporation will after the redemption of the Series E and Series F Preferred Stock for ownership of Lineal Holdings, LLC, to the extent allowed under applicable law, but thereafter, prior to or concurrently with the closing, effectuation or occurrence any such action, redeem the Series C Preferred Stock for cash, by wire transfer of immediately available funds to an account designated by Holder, at the Early Redemption Price set forth in **Section I.F.2** if the event is prior to the Dividend Maturity Date, or at the Liquidation Value if the event is on or after the Dividend Maturity Date. Notwithstanding any other provision, the Corporation will not be required to redeem any shares of Series C Preferred Stock for cash solely because the Corporation does not have sufficient authorized but unissued shares of Common Stock to issue upon receipt of a Delivery Notice, upon a maturity conversion, or for any other reason that is not solely within the control of the Corporation.

5. Mechanics of Redemption. In order to redeem any of the Holders' Series C Preferred Stock then outstanding, the Corporation must deliver written notice (each, a "Redemption Notice") to each Holder setting forth (a) the number of shares of Series C Preferred Stock that the Corporation is redeeming, (b) the applicable Dividend Rate, Liquidation Value and Early Redemption Price, or Total Redemption Price if applicable, and (c) the calculation of the amount paid. Upon receipt of full payment in cash for a complete redemption, each Holder will promptly submit to the Corporation such Holder's Series C Preferred Stock certificates. In connection with a mandatory redemption, the notice will be delivered as soon as the number of shares can be determined, and in all other instances at least 30 Trading Days prior to payment. For the avoidance of doubt, the delivery of a Redemption Notice will not affect Holder's rights under Section I.G until after receipt of cash payment by Holder at the required time.

G. Conversion.

1. Mechanics of Conversion.

a. One or more shares of the Series C Preferred Stock may be converted, in part or in whole, into shares of Common Stock, at any time or times after the Issuance Date, in the sole and absolute discretion of Holder or, subject to the terms and

conditions hereof, the Corporation; (i) if at the option of Holder, by delivery of one or more written notices to the Corporation or its transfer agent (each, a “**Holder Conversion Notice**”), of the Holder’s election to convert any or all of its Series C Preferred Stock; or (ii) if at the option of the Corporation, if the Equity Conditions are met, delivery of written notice to Holder (each, a “**Corporation Conversion Notice**,” with the Holder Conversion Notice, each a “Conversion Notice,” and with the Redemption Notice, each an “**Initial Notice**”), of the Corporation’s election to convert the Series C Preferred Stock.

b. Each Delivery Notice will set forth the number of shares of Series C Preferred Stock being converted, the minimum number of Conversion Shares and the amount of Dividends and any applicable Conversion Premium due as of the time the Delivery Notice is given (the “**Notice Time**”), and the calculation thereof.

c. As soon as practicable, and in any event within 1 Trading Day of the Notice Time, time being of the essence, the Corporation will do all of the following: (i) transmit the Delivery Notice by facsimile or electronic mail to the Holder, and to the Corporation’s transfer agent (the “**Transfer Agent**”) with instructions to comply with the Delivery Notice; (ii) either (A) if the Corporation is approved through The Depository Trust Corporation (“**DTC**”), authorize and instruct the credit by the Transfer Agent the aggregate number of Conversion Shares set forth in the Delivery Notice, to Holder’s or its designee’s balance account with the DTC Fast Automated Securities Transfer (FAST) Program, through its Deposit/Withdrawal at Custodian (DWAC) system, or (B) only if the Corporation is not approved through DTC, issue and surrender to a common carrier for overnight delivery to the address as specified in the Delivery Notice a certificate registered in the name of Holder or its designee, for the number of Conversion Shares set forth in the Delivery Notice, bearing no restrictive legend unless a registration statement covering the Conversion Shares is not effective and neither Company nor Investor provides an opinion of counsel to the effect that Conversion Shares may be issued without restrictive legend; and (iii) if it contends that the Delivery Notice is in any way incorrect, a through explanation of why and its own calculation, or the Delivery Notice will conclusively be deemed correct for all purposes. The Corporation will at all times diligently take or cause to be taken all actions reasonably necessary to cause the Conversion Shares to be issued as soon as practicable.

d. If during the Measurement Period the Holder is entitled to receive additional Conversion Shares with regard to an Initial Notice, Holder may at any time deliver one or more additional written notices to the Corporation or its transfer agent (each, an “**Additional Notice**” and with the Initial Notice, each a “**Delivery Notice**”) setting forth the additional number of Conversion Shares to be delivered, and the calculation thereof.

e. If the Corporation for any reason, other than not having sufficient authorized and unissued shares, solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation, does not issue or cause to be issued to the Holder within 3 Trading Days after the date of a Delivery Notice, the number of Conversion Shares stated in the Delivery Notice, then, in addition to all other remedies available to the Holder, as liquidated damages and not as a penalty, the Corporation will pay in cash to the Holder on each day after such 3rd Trading Day that the issuance of such Conversion Shares is not timely effected an amount equal to 2% of the product of (i) the aggregate number of Conversion Shares not issued to the Holder on a timely basis and to which the Holder is entitled and (ii) the highest Closing Price of the Common Stock between the date on which the Corporation should have issued such shares to the Holder and the actual date of receipt of Conversion Shares by Holder. It is intended that the foregoing will serve to reasonably compensate Holder for any delay in delivery of Conversion Shares, and not as punishment for any breach by the Corporation. The Corporation acknowledges that the actual damages likely to result from delay in delivery are difficult to estimate and would be difficult for Holder to prove.

f. Notwithstanding any other provision: all of the requirements of **Section I.F** and this **Section I.G** are each independent covenants; if it has sufficient authorized and unissued shares, the Corporation’s obligations to issue and deliver Conversion Shares upon any Delivery Notice are absolute, unconditional and irrevocable; any breach or alleged breach of any representation or agreement, or any violation or alleged violation of any law or regulation, by any party or any other person will not excuse full and timely performance of any of the Corporation’s obligations under these sections; and under no circumstances may the Corporation seek or obtain any temporary, interim or preliminary injunctive or equitable relief to prevent or interfere with any issuance of Conversion Shares to Holder.

g. If for any reason whatsoever, other than not having sufficient authorized and unissued shares, Holder does not timely receive the number of Conversion Shares stated in any Delivery Notice, Holder will be entitled to a compulsory remedy of immediate specific performance, temporary, interim and, preliminary and final injunctive relief requiring Corporation and its transfer agent, attorneys, officers and directors to immediately issue and deliver the number of Conversion Shares stated by Holder, which requirement will not be stayed for any reason, without the necessity of posting any bond, and which Corporation may not seek to stay or appeal.

h. No fractional shares of Common Stock are to be issued upon conversion of Series C Preferred Stock, but rather the Corporation will issue to Holder scrip or warrants registered on the books of the Corporation (certificated or uncertificated) which will entitle Holder to receive a full share upon the surrender of such scrip or warrants aggregating a full share. The Holder will not be required to deliver the original certificates for the Series C Preferred Stock in order to effect a conversion hereunder. The Corporation will pay any and all taxes which may be payable with respect to the issuance and delivery of any Conversion Shares.

2. Holder Conversion. In the event of a conversion of any Series C Preferred Stock pursuant to a Holder Conversion Notice, the Corporation will (a) satisfy the payment of Dividends and Conversion Premium with respect to the shares of Series C Preferred Stock converted as provided in **Section I.C.2**, and (b) issue to the Holder of such Series C Preferred Stock a number of Conversion Shares equal to (i) the Face Value multiplied by (ii) the number of such Series C Preferred Stock subject to the Holder Conversion Notice divided by (iii) the applicable Conversion Price with respect to such Series C Preferred Stock; all in accordance with the procedures set forth in **Section I.G.1**.

3. Corporation Conversion. The Corporation will have the right to send the Holder a Corporation Conversion Notice at any time in its sole and absolute discretion, if the Equity Conditions are met as of the time such Corporation Conversion Notice is given. Upon any conversion of any Series C Preferred Stock pursuant to a Corporation Conversion Notice, the Corporation will on the date of such notice (a) satisfy the payment of Dividends and Conversion Premium with respect to the shares of Series C Preferred Stock converted as provided in **Section I.C.2**, and (b) issue to the Holder of such Series C Preferred Stock a number of Conversion Shares equal to (i) the Face Value multiplied by (ii) the number of such Series C Preferred Stock subject to the Holder Conversion Notice divided by (iii) the applicable Conversion Price with respect to such Series C Preferred Stock; all in accordance with the procedures set forth in **Section I.G.1**.

4. Stock Splits. If the Corporation at any time on or after the filing of this Certificate of Designations subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the applicable Conversion Price, Adjustment Factor, Maximum Triggering Level, Minimum Triggering Level, and other share based metrics in effect immediately prior to such subdivision will be proportionately reduced and the number of shares of Common Stock issuable will be proportionately increased. If the Corporation at any time on or after such Issuance Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the applicable Conversion Price, Adjustment Factor, Maximum Triggering Level, Minimum Triggering Level, and other share based metrics in effect immediately prior to such combination will be proportionately increased and the number of Conversion Shares will be proportionately decreased. Any adjustment under this Section will become effective at the close of business on the date the subdivision or combination becomes effective.

5. Rights. In addition to any adjustments pursuant to **Section I.G.4**, if at any time the Corporation grants, issues or sells any options, convertible securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the “**Purchase Rights**”), then Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which Holder could have acquired if Holder had held the number of shares of Common Stock acquirable upon conversion of all Preferred Stock held by Holder immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. Notices. The holders of shares of Series C Preferred Stock are entitled to the same rights as the holders of Common Stock with respect to rights to receive notices, reports and audited accounts from the Company and with respect to attending stockholder meetings.

7. Definitions. The following terms will have the following meanings:

a. “Adjustment Factor” means \$0.10 per share of Common Stock.

b. “Acquisition” means the closing of the acquisition of assets contemplated by that certain Asset Purchase Agreement dated December 30, 2015 between Company and the sellers named therein, as disclosed in the current report on Form 8-K filed with the Securities & Exchange Commission on December 31, 2015.

c. “Closing Price” means, for any security as of any date, the last closing bid price for such security on the Trading Market, or, if the Trading Market begins to operate on an extended hours basis and does not designate the closing bid price, then the last bid price of such security prior to 4:00 p.m., Eastern time, or, if the Trading Market is not the principal securities exchange or trading market for such security, the last closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded, or if the foregoing do not apply, the last closing bid price of such security in the over-the-counter market on the electronic bulletin board for such security, or, if no closing bid price is reported for such security, the average of the bid prices of any market makers for such security as reported in the “pink sheets” by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.).

d. “Conversion Premium” for each share of Series C Preferred Stock means the Face Value, multiplied by the product of (i) the applicable Dividend Rate, and (ii) the number of whole years between the Issuance Date and the Dividend Maturity Date.

e. “Conversion Price” means a price per share of Common Stock equal to \$3.25 per share of Common Stock, subject to adjustment as otherwise provided herein.

f. “Conversion Shares” means all shares of Common Stock that are required to be or may be issued upon conversion of Series C Preferred Stock.

g. “Dividend Maturity Date” means the date that is 7 years after the Issuance Date.

h. “Equity Conditions” means on each day during the Measurement Period, (i) the Common Stock is not under chill or freeze from DTC, the Common Stock is designated for trading on OTCQB or higher market and will not have been suspended from trading on such market, and delisting or suspension by the Trading Market has not been threatened or pending, either in writing by such market or because Company has fallen below the then effective minimum listing maintenance requirements of such market; (ii) the Corporation has delivered Conversion Shares upon all conversions or redemptions of the Series C Preferred Stock in accordance with their terms to the Holder on a timely basis; (iii) the Corporation will have no knowledge of any fact that would cause both of the following (A) a registration statement not to be effective and available for the resale of all Conversion Shares, and (B) Section 3(a)(9) under the Securities Act of 1933, as amended, not to be available for the issuance of all Conversion Shares, or Regulation S or Securities Act Rule 144 not to be available for the resale of all the Conversion Shares underlying the Series C Preferred Stock without restriction; (iv) there has been a minimum of \$5 million in aggregate trading volume over the last 20 consecutive Trading Days; (v) all shares of Common Stock to which Holder is entitled have been timely received into Holder’s designated account in electronic form fully cleared for trading; (vi) the Corporation otherwise will have been in compliance with and will not have breached any provision, covenant, representation or warranty of any Transaction Document; (vii) the Measuring Metric is at least \$1.50; (viii) no Trigger Event will have occurred; (ix) the Corporation will have been assigned all right and title to the properties being acquired in the Acquisition, or cumulative assignments representing not less than 90% of the value of the assets described; and (x) the properties being assigned to the Corporation in the Acquisition will have daily production of not less than 700 barrels of oil equivalent per day as of the most recent production data available, not more than 75 days old.

i. “Lineal Star Assets” means the securities and assets of Lineal Star Holdings, LLC and its existing and future subsidiaries.

j. **“Maximum Triggering Level”** means \$3.75 per share of Common Stock.

k. **“Measurement Period”** means the period beginning the later of February 3, 2020 or, if no Trigger Event has occurred 30 Trading Days, and if a Trigger Event has occurred 60 Trading Days, before the Notice Date, and ending, if no Trigger Event has occurred 30 Trading Days, and if a Trigger Event has occurred 60 Trading Days, after the number of Conversion Shares stated in the initial Notice have actually been received into Holder’s designated brokerage account in electronic form and fully cleared for trading; provided that for each day during the Measurement Period on which less than all of the conditions set forth in **Section I.G.6.h** exist, 1 Trading Day will be added to what otherwise would have been the end of the Measurement Period.

l. **“Measuring Metric”** means the volume weighted average price of the Common Stock on any Trading Day following the Issuance Date of the Series C Preferred Stock.

m. **“Merger”** means any combination, through any sale of securities or merger, between the Company and Viking Energy Group, Inc., a Nevada corporation, or its affiliates.

n. **“Minimum Triggering Level”** means \$2.75 per share of Common Stock.

o. **“Spread Adjustment”** means 100 basis points.

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p. **“Stock Purchase Agreement”** means the Stock Purchase Agreement or other agreement pursuant to which any share of Series C Preferred Stock is issued, including all exhibits thereto and all related Transaction Documents as defined therein.

q. **“Trading Day”** means any day on which the Common Stock is traded on the Trading Market.

r. **“Trading Market”** means the NYSE American or whatever is at the applicable time, the principal U.S. trading exchange or market for the Common Stock. All Trading Market data will be measured as provided by the appropriate function of the Bloomberg Professional service of Bloomberg Financial Markets or its successor performing similar functions.

s. **“Transaction Documents”** means Preferred Stock Purchase Agreement dated April 6, 2016; Securities Purchase Agreement dated April 6, 2016; Stock Purchase Agreement dated October 5, 2017; Stock Purchase Agreement dated October 26, 2018; and Stock Purchase Agreement dated November 23, 2018 each as amended from time to time, and all documents ancillary thereto.

8. Issuance Limitation.

a. **Beneficial Ownership.** Notwithstanding any other provision, at no time may the Corporation issue shares of Common Stock to Holder which, when aggregated with all other shares of Common Stock then deemed beneficially owned by Holder, would result in Holder owning more than 4.99% of all Common Stock outstanding immediately after giving effect to such issuance, as determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder; provided, however, that Holder may increase or have increased such amount to 9.99% upon not less than 61 days’ prior notice to the Corporation. To the extent that any conversion would otherwise result in exceeding the beneficial ownership limitation set forth in the preceding sentence, the Delivery Notice will specify the number of shares that may be delivered without exceeding the limitation, and any issuance beyond such extent will be held in abeyance until such time as it would not result in Holder exceeding the beneficial ownership limitation. No provision of this paragraph may be waived by Holder or the Corporation.

b. **Principal Market Regulation.** Company will not issue any Conversion Shares under this Certificate of Designations, the Warrant issued to Holder on the Issuance Date, the Securities Purchase Agreement with Investor dated the Issuance Date, the Debenture or the Common Stock Purchase Warrant issued to Investor pursuant thereto, if the issuance would exceed the aggregate number of shares of Common Stock the Company may issue without breaching Company’s obligations under NYSE American rules, except that such limitation will not apply following stockholder approval in accordance with the requirements of NYSE American rules or a waiver from NYSE American (**“Approval”**).

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9. Conversion at Maturity. On the Dividend Maturity Date, all remaining outstanding Series C Preferred Stock will automatically be converted into shares of Common Stock, to the extent the Corporation has sufficient authorized but unissued shares of Common Stock available for issuance upon conversion. Notwithstanding any other provision of this Designation, available authorized and unissued shares of Common Stock will be a limit and cap on the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Corporation. The Corporation will at all times use its best efforts to authorize sufficient shares. The number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs. The Dividend Maturity Date will be indefinitely extended and suspended until sufficient authorized and unissued shares become available. All provisions of this Designation will be interpreted so that net share settlement is within the control of the Corporation.

H. Trigger Event.

1. Any occurrence of any one or more of the following will constitute a “**Trigger Event**”:

(a) Holder does not timely receive the number of Conversion Shares stated in any Conversion Notice pursuant to this Certificate of Designations or any other agreement with Holder for any reason whatsoever, time being of the essence, including without limitation the issuance of restricted shares if counsel for Corporation or Holder provides a legal opinion that shares may be issued without restrictive legend;

(b) Any violation of or failure to timely perform any covenant or provision of this Certificate of Designations, the Stock Purchase Agreement, any Transaction Document or any other agreement with Holder, related to payment of cash, registration or delivery of Conversion Shares, time being of the essence;

(c) Any violation of or failure to perform any covenant or provision of this Certificate of Designations, the Stock Purchase Agreement, any Transaction Document or any other agreement with Holder, which in the case of a default that is curable, is not related to payment of cash, registration or delivery of Conversion Shares, and has not occurred before, is not cured within 5 Trading Days of written notice thereof;

(d) Any representation or warranty made in the Securities Purchase Agreement, any Transaction Document or any other agreement with Holder will be untrue, incorrect, or misleading in any material respect as of the date when made or deemed made;

(e) The occurrence of any default or event of default under any material agreement, lease, document or instrument to which the Corporation or any subsidiary other than CATI Operating LLC, a Texas limited liability company (“**CATI**”) is obligated, including without limitation of an aggregate of at least \$500,000 of indebtedness;

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(f) While any Registration Statement is required to be maintained effective, the effectiveness of the Registration Statement lapses for any reason, including, without limitation, the issuance of a stop order, or the Registration Statement, or the prospectus contained therein, is unavailable to Holder sale of all Conversion Shares for any 5 or more Trading Days, which may be non-consecutive;

(g) The suspension from trading or the failure of the Common Stock to be trading or listed on the Trading Market;

(h) The Corporation notifies Holder, including without limitation, by way of public announcement or through any of its attorneys, agents or representatives, of its intention not to comply, as required, with a Conversion Notice pursuant to this Certificate of Designations or any other agreement with Holder, at any time, including without limitation any objection or instruction to its transfer agent not to comply with any notice from Holder;

(i) Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors will be instituted by or against the Corporation or any subsidiary other than CATI and, if instituted against the Corporation or

any subsidiary other than CATI by a third party, an order for relief is entered or the proceedings are not dismissed within 30 days of their initiation;

(j) The appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, or other similar official of the Corporation or any subsidiary other than CATI or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Corporation or any subsidiary other than CATI in furtherance of any such action or the taking of any action by any person to commence a foreclosure sale or any other similar action under any applicable law;

(k) A final judgment or judgments for the payment of money aggregating in excess of \$500,000 are rendered against the Corporation or any of its subsidiaries other than CATI and are not stayed or satisfied within 30 days of entry;

(l) The Corporation does not for any reason timely comply with the reporting requirements of the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder, including without limitation timely filing when first due all periodic reports;

(m) Any regulatory, administrative or enforcement proceeding is initiated against Corporation or any subsidiary (except to the extent an adverse determination would not have a material adverse effect on the Company's business, properties, assets, financial condition or results of operations or prevent the performance by the Company of any material obligation under the Transaction Documents); or

(n) Any material provision of this Certificate of Designations shall at any time for any reason, other than pursuant to the express terms thereof, cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof will be contested by any party thereto, or a proceeding will be commenced by the Corporation or any subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Corporation or any subsidiary denies that it has any liability or obligation purported to be created under this Certificate of Designations.

2. It is intended that all adjustments made following a Trigger Event will serve to reasonably compensate Holder for the consequences and increased risk following a Trigger Event, and not as a penalty or punishment for any breach by the Corporation. The Corporation acknowledges that the actual damages likely to result from a Trigger Event are difficult to estimate and would be difficult for Holder to prove.

II. General.

A. Notices. Any and all notices to the Corporation will be addressed to the Corporation's Chief Executive Officer at the Corporation's principal place of business on file with the Secretary of State of the State of Nevada. Any and all notices or other communications or deliveries to be provided by the Corporation to any Holder hereunder will be in writing and delivered personally, by electronic mail or facsimile, sent by a nationally recognized overnight courier service addressed to each Holder at the electronic mail, facsimile telephone number or address of such Holder appearing on the books of the Corporation, or if no such electronic mail, facsimile telephone number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder will be deemed given and effective on the earliest of (1) the date of transmission, if such notice or communication is delivered via facsimile or electronic mail prior to 5:30 p.m. Eastern time, (2) the date after the date of transmission, if such notice or communication is delivered via facsimile or electronic mail later than 5:30 p.m. but prior to 11:59 p.m. Eastern time on such date, (3) the second business day following the date of mailing, if sent by nationally recognized overnight courier service, or (4) upon actual receipt by the party to whom such notice is required to be given, regardless of how sent.

B. Lost or Mutilated Preferred Stock Certificate. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered Holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of Series C Preferred Stock, and in the case of any such loss, theft or destruction upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the Holder is a financial institution or other institutional investor its own agreement will be satisfactory) or in the case of any such mutilation upon surrender of such certificate, the Corporation will, at its expense, execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class

represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

C. Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designations and will not be deemed to limit or affect any of the provisions hereof.

NOW THEREFORE BE IT RESOLVED, that the Designation is hereby approved, affirmed, confirmed, and ratified; and it is further

RESOLVED, that each officer of the Corporation be and hereby is authorized, empowered and directed to execute and deliver, in the name of and on behalf of the Corporation, any and all documents, and to perform any and all acts necessary to reflect the Board of Directors approval and ratification of the resolutions set forth above; and it is further

RESOLVED, that in addition to and without limiting the foregoing, each officer of the Corporation and the Corporation's attorney be and hereby is authorized to take, or cause to be taken, such further action, and to execute and deliver, or cause to be delivered, for and in the name and on behalf of the Corporation, all such instruments and documents as he may deem appropriate in order to effect the purpose or intent of the foregoing resolutions (as conclusively evidenced by the taking of such action or the execution and delivery of such instruments, as the case may be) and all action heretofore taken by such officer in connection with the subject of the foregoing recitals and resolutions be, and it hereby is approved, ratified and confirmed in all respects as the act and deed of the Corporation; and it is further

RESOLVED, that this Designation may be executed in several counterparts, each of which is an original; that it shall not be necessary in making proof of this Designation or any counterpart hereof to produce or account for any of the other.

IN WITNESS WHEREOF, the Corporation has caused this "**Third Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock**" to be duly executed and approved this 14th day of April 2021.

By: /s/ James Doris
Its: Chief Executive Officer
Printed Name: James Doris