

Exhibit K – Projected Terms and Conditions of Purchasers Series A Preferred Stock

ALPHACIPHER ACQUISITION CORPORATION

DESIGNATION OF RIGHTS, PRIVILEGES, PREFERENCES AND RESTRICTIONS OF SERIES A PREFERRED STOCK

1. **SERIES A PREFERRED STOCK.** The rights, preferences, privileges and restrictions granted to and imposed on the Series A Preferred Stock and the Common Stock are as follows:

a. **Definitions.** For purposes hereof, the following definitions shall apply:

(i) “Board” shall mean the Board of Directors of the Company.

(ii) “Company” shall mean AlphaCipher Acquisition Corporation, a Washington corporation.

(iii) “Common Stock” shall mean the Common Stock, no par value, of the Company.

(iv) “Common Stock Dividend” shall mean a stock dividend declared and paid on the Common Stock that is payable in shares of Common Stock.

(v) “Dividend Rate” shall mean \$ 0.033 per share (which is 10% of the Original Issue Price) *per annum* for the Series A Preferred Stock.

(vi) “Liquidation Value” shall mean the liquidation preference enjoyed by Series A Preferred Stock over and above and Common Stock, in an amount equal to \$0.15.

(vii) “Original Issue Date” shall mean the date on which the first share of Series A Preferred Stock is issued by the Company.

(viii) “Original Issue Price” shall mean \$0.33 per share for the Series A Preferred Stock.

(ix) “Series A Preferred Stock” shall mean the Series A Preferred Stock, no par value, of the Company.

b. **Dividend Rights.** In each calendar year, the holders of the then outstanding Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board, out of funds legally available therefor, noncumulative cash dividends at the annual Dividend Rate for the Series A Preferred Stock, prior and in preference to the payment of any dividends on the Common Stock in such calendar year (other than a Common Stock Dividend). The Board shall not declare or pay dividends on any other security of the Company, or set

aside any amount for payment thereof, until and unless an identical dividend or distribution on the Series A Preferred Stock, on a per share basis, shall have been paid (or a sum sufficient for full payment is set apart for payment).

c. **Liquidation Rights.** In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the funds and assets of the Company that may be legally distributed to the Company's shareholders (the "Available Funds and Assets") shall be distributed to shareholders in the following manner:

(i) **Series A Preferred Stock.** The holders of each share of Series A Preferred Stock then outstanding shall be entitled to be paid, out of the Available Funds and Assets, and prior and in preference to any payment or distribution (or any setting apart of any payment or distribution) of any Available Funds and Assets on any shares of Common Stock, an amount per share equal to the Liquidation Value, plus all declared but unpaid dividends on such Series A Preferred Stock. After payment of the Liquidation Value, Series A Preferred Stock shall participate *pari passu* with any other shares of Preferred Stock upon liquidation. If upon any liquidation, dissolution or winding up of the Company, the Available Funds and Assets shall be insufficient to permit the payment to holders of the Series A Preferred Stock and any other shares of Preferred Stock under the terms of which shall be entitled to participate *pari passu* with the Series A Preferred Stock upon liquidation, of their full preferential amount described in subsection 1.c, then all of the remaining Available Funds and Assets shall be distributed ratably among the holders of the then outstanding Series A Preferred Stock and any other shares of Preferred Stock under the terms of which shall be entitled to participate *pari passu* with the Series A Preferred Stock upon liquidation, in proportion to the preferential amount that each such holder is otherwise entitled to receive.

(ii) **Remaining Assets.** If there are any Available Funds and Assets remaining after the payment or distribution (or the setting aside for payment or distribution) to the holders of the Series A Preferred Stock and any other shares of Preferred Stock under the terms of which shall be entitled to participate *pari passu* with the Series A Preferred Stock upon liquidation, of their full preferential amounts described above in subsection 1.c, then all such remaining Available Funds and Assets shall be first distributed among the holders of any then outstanding Series of Preferred Stock under the terms of which shall be subordinated to the Series A Preferred Stock upon liquidation until the full amounts of their respective preferences upon liquidation shall have been satisfied, and thereafter shall be distributed to the Common Stock *pro rata* according to the number of shares of Common Stock held by each holder thereof.

(iii) **Merger or Sale of Assets.** A merger or consolidation of the Company with or into any other corporation or corporations (but excluding any merger effected solely for the purpose of reincorporating in another state), or the merger of any other corporation or corporations into the Company, in which consolidation or merger the shareholders of the Company receive distributions in cash or securities of another corporation or corporations as a result of such consolidation or merger, a sale of all or substantially all of the assets of the Company, or the undertaking by the Company of a transaction or series of

transactions in which more than 50% of the voting power of the Company is disposed of, shall each be deemed to be a liquidation, dissolution or winding up of the Company as those terms are used in subsection 1.c.

(iv) **Non-Cash Consideration.** If any assets of the Company distributed to shareholders in connection with any liquidation, dissolution, or winding up of the Company are other than cash, then the value of such assets shall be their fair market value as determined by the Board, except that any securities to be distributed to shareholders in a liquidation, dissolution, or winding up of the Company shall be valued as follows:

a) **Securities Not Subject to Investment Restrictions.** The method of valuation of securities not subject to investment letter or other similar restrictions on free marketability shall be as follows:

(1) if the securities are then traded on a national securities exchange of the NASDAQ National Market System (or a similar national quotation system), then the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the 30-day period ending three (3) days prior to the distribution; and

(2) if actively traded over-the-counter, then the value shall be deemed to be the average of the closing bid prices over the 30-day period ending three (3) days prior to the closing of such merger, consolidation or sale; and

(3) if there is no active public market, then the value shall be the fair market value thereof, as determined in good faith by the Board.

b) **Securities Subject to Investment Restrictions.** The method of valuation of securities subject to investment letter or other restrictions on free marketability shall be to make an appropriate discount from the market value determined as above in subsection 1.c(iv)(a) to reflect the approximate fair market value thereof, as determined in good faith by the Board.

d. **Voting Rights.**

(i) **Series A Preferred Stock.** Each holder of shares of Series A Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Common Stock into which such shares of Series A Preferred Stock could be converted pursuant to the provisions of subsection 1.e below at the record date for the determination of the shareholders entitled to vote on such matters or, if no such record date is established, the date such vote is taken or any written consent of shareholders is solicited.

(ii) **General.** Subject to the foregoing provisions of this subsection 1.d, each holder of Series A Preferred Stock shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of the Company (as in effect at the time in question) and applicable law, and shall be entitled to vote, together with the holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the holders of Series A Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

(iii) **Election of Directors.** The holders of record of shares of Series A Preferred Stock, exclusively and as a separate voting group, shall be entitled to elect two (2) directors of the Corporation (each, a "Series A Director and, together, the "Series A Directors"). Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director, given either at a special meeting of such shareholders duly called for that purpose or pursuant to a written consent of shareholders. If the holders of shares of Series A Preferred Stock fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate voting group, pursuant to the first sentence of this subsection 1.d(iii), then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by shareholders of the Company other than by the shareholders of the Company that are entitled to elect a person to fill such directorship, voting exclusively and as a separate voting group. At any meeting held for the purpose of electing one or more Series A Directors, the presence in person or by proxy of the holders of a majority of the outstanding shares of Series A Preferred Stock shall constitute a quorum for the purpose of electing such Series A Director.

e. **Conversion Rights.** The outstanding shares of Series A Preferred Stock shall be convertible into Common Stock as follows:

(i) **Optional Conversion.**

a) At the option of the holder thereof, each share of Series A Preferred Stock shall be convertible at any time into fully paid and nonassessable shares of Common Stock as provided herein.

b) Each holder of Series A Preferred Stock who elects to convert the same into shares of Common Stock shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Series A Preferred Stock or Common Stock, and shall give written notice to the Company at such office that such holder elects to convert the same and shall state therein the number of shares of Series A Preferred Stock

being converted. Thereupon the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled upon such conversion. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the shares of Series A Preferred Stock to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(ii) **Automatic Conversion.**

a) **Events Triggering Automatic Conversion.** Each share of Series A Preferred Stock shall automatically be converted into fully paid and nonassessable shares of Common Stock, as provided herein:

(1) immediately prior to the closing of a firm commitment underwritten public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which the aggregate public offering price (before deduction of underwriters' discounts and commissions) equals or exceeds \$50,000,000; or

(2) upon the Company's receipt of the written consent of the holders of not less than two-thirds (2/3) of the then outstanding shares of Series A Preferred Stock to the conversion of all then outstanding Series A Preferred Stock under subsection 1.e.

b) **Procedure.** Upon the occurrence of any event specified in subparagraphs 1.e(ii)(a)(1) or 1.e(ii)(a)(2) above, the outstanding shares of Series A Preferred Stock shall be converted into Common Stock automatically without the need for any further action by the holder of such-shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series A Preferred Stock are either delivered to the Company or its transfer agent as provided below, or the holder notifies the

Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Series A Preferred Stock, the holders of Series A Preferred Stock shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the Series A Preferred Stock or Common Stock. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Series A Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred.

(iii) **Conversion Price.** Each share of Series A Preferred Stock shall be convertible in accordance with subsection 1.e(i) or subsection 1.e(ii) above into the number of shares of Common Stock which results from dividing the Original Issue Price for such Series A Preferred Stock by the conversion price for such Series A Preferred Stock that is in effect at the time of conversion (the “Conversion Price”). The initial Conversion Price for the Series A Preferred Stock shall be the Original Issue Price for the Series A Preferred Stock. The Conversion Price shall be subject to adjustment from time to time as provided below.

(iv) **Adjustment Upon Common Stock Event.** Upon the happening of a Common Stock Event (as hereinafter defined), the Conversion Price of the Series A Preferred Stock shall, simultaneously with the happening of such Common Stock Event, be adjusted by multiplying the Conversion Price of such series of Series A Preferred Stock in effect immediately prior to such Common Stock Event by a fraction, (A) the numerator of which shall be the number of shares of Common Stock issued and outstanding immediately prior to such Common Stock Event, and (B) the denominator of which shall be the number of shares of Common Stock issued and outstanding immediately after such Common Stock Event, and the product so obtained shall thereafter be the Conversion Price for the Series A Preferred Stock. The Conversion Price for the Series A Preferred Stock shall be readjusted in the same manner upon the happening of each subsequent Common Stock Event. As used herein, the term “Common Stock Event” shall mean (A) the issue by the Company of additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock, (B) a subdivision of the outstanding shares of Common Stock into a greater number of shares of Common Stock, or (C) a combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock.

(v) **Adjustments for Other Dividends and Distributions.** If at any time or from time to time after the Original Issue Date, the Company pays a dividend or makes another distribution to the holders of the Common Stock payable in securities of the Company other than shares of Common Stock, then in each such event provision shall be made so that

the holders of the Series A Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable upon conversion thereof, the amount of securities of the Company which they would have received had their Series A Preferred Stock been converted into Common Stock on the date of such event (or such record date, as applicable) and had they thereafter, during the period from the date of such event (or such record date, as applicable) to and including the conversion date, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under subsection 1.e with respect to the rights of the holders of the Series A Preferred Stock or with respect to such other securities by their terms.

(vi) **Adjustment for Reclassification, Exchange and Substitution.**

If at any time or from time to time after the Original Issue Date, the Common Stock issuable upon the conversion of the Series A Preferred Stock is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than by a Common Stock Event or a stock dividend, reorganization, merger, consolidation or sale of assets provided for elsewhere in subsection 1.e), then in any such event each holder of Series A Preferred Stock shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Series A Preferred Stock could have been converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(vii) **Sale of Shares Below Conversion Price.**

a) **Adjustment Formula.** If at any time or from time to time after the Original Issue Date the Company issues or sells, or is deemed by the provisions of subsection 1.e(vii) to have issued or sold, Additional Shares of Common Stock (as hereinafter defined), otherwise than in connection with a Common Stock Event as provided in subsection 1.e(iv), a dividend or distribution as provided in subsection 1.e(v), or a recapitalization, reclassification or other change as provided in subsection 1.e(vi), for an Effective Price (as hereinafter defined) that is less than the Conversion Price for the Series A Preferred Stock in effect immediately prior to such issue or sale, then, and in each such case, the Conversion Price for the Series A Preferred Stock shall be reduced, as of the close of business on the date of such issue or sale, to the price obtained by multiplying such Conversion Price by a fraction:

(1) The numerator of which shall be the sum of (A) the number of Common Stock Equivalents Outstanding (as hereinafter defined) immediately prior to such issue or

sale of Additional Shares of Common Stock plus (B) the quotient obtained by dividing the Aggregate Consideration Received (as hereinafter defined) by the Company for the total number of Additional Shares of Common Stock so issued or sold (or deemed so issued and sold) by the Conversion Price for the Series A Preferred Stock in effect immediately prior to such issue or sale; and

- (2) The denominator of which shall be the sum of (A) the number of Common Stock Equivalents Outstanding immediately prior to such issue or sale plus (B) the number of Additional Shares of Common Stock so issued or sold (or deemed so issued and sold).

b) **Certain Definitions.** For the purpose of making any adjustment required under subsection 1.e(vii), the following definitions shall apply:

- (1) “Additional Shares of Common Stock” shall mean all shares of Common Stock issued by the Company, whether or not subsequently reacquired or retired by the Company, other than: (A) shares of Common Stock issued or issuable upon conversion of Series A Preferred Stock; (B) shares issued or issuable to officers, directors, consultants or employees of the Company pursuant to stock option plans of the Company as approved by the Board; (C) securities issued in connection with acquisition transactions approved by the Board; (D) securities issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings or similar transactions approved by the Board; and (E) shares issued as a stock dividend or any subdivision or split-up of the outstanding shares of Company capital stock.
- (2) The “Aggregate Consideration Received” by the Company for any issue or sale (or deemed issue or sale) of securities shall (A) to the extent it consists of cash, be computed at the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale and without deduction of any expenses payable by the Company; (B) to the extent it consists of property other than cash, be computed at the fair value of that property as determined in good faith by the Board; and (C) if

Additional Shares of Common Stock, Convertible Securities or Rights or Options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares of Common Stock, Convertible Securities or Rights or Options.

- (3) “Common Stock Equivalents Outstanding” shall mean the number of shares of Common Stock that is equal to the sum of (A) all shares of Common Stock of the Company that are outstanding at the time in question, plus (B) all shares of Common Stock of the Company issuable upon conversion of all shares of Series A Preferred Stock or other Convertible Securities that are outstanding at the time in question, plus (C) all shares of Common Stock of the Company that are issuable upon the exercise of Rights or Options or Convertible Securities that are outstanding at the time in question and the conversion or exchange of Convertible Securities (or Convertible Securities issuable upon the exercise of rights or options) into or for Common Stock.
 - (4) “Convertible Securities” shall mean stock or other securities convertible into or exchangeable for shares of Common Stock.
 - (5) The “Effective Price” of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold, by the Company under subsection 1.e(vii), into the Aggregate Consideration Received, or deemed to have been received, by the Company under subsection 1.e(vii), for the issue of such Additional Shares of Common Stock.
 - (6) “Rights or Options” shall mean warrants, options or other rights to purchase or acquire shares of Common Stock or Convertible Securities.
- c) **Deemed Issuances.** For the purpose of making any adjustment to the Conversion Price of the Series A Preferred Stock required

under subsection 1.e(vii), if the Company issues or sells any Rights or Options or Convertible Securities and if the Effective Price of the shares of Common Stock issuable upon exercise of such Rights or Options and/or the conversion or exchange of Convertible Securities (computed without reference to any additional or similar protective or antidilution clauses) is less than the Conversion Price then in effect for the Series A Preferred Stock, then the Company shall be deemed to have issued, at the time of the issuance of such Rights, Options or Convertible Securities, that number of Additional Shares of Common Stock that is equal to the maximum number of shares of Common Stock issuable upon exercise or conversion of such Rights, Options or Convertible Securities upon their issuance and to have received, as the Aggregate Consideration Received for the issuance of such shares, an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such Rights or Options or Convertible Securities, plus, in the case of such Rights or Options, the minimum amounts of consideration, if any, payable to the Company upon the exercise in full of such Rights or Options, plus, in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion or exchange thereof; provided that:

- (1) if the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, then the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses;
- (2) if the minimum amount of consideration payable to the Company upon the exercise of Rights or Options or the conversion or exchange of Convertible Securities is reduced over time or upon the occurrence or non-occurrence of specified events other than by reason of antidilution or similar protective adjustments, then the Effective Price shall be calculated using the figure to which such minimum amount of consideration is reduced; and
- (3) if the minimum amount of consideration payable to the Company upon the exercise of such Rights or Options or the conversion or exchange of Convertible Securities is subsequently increased, then the Effective Price shall

again be recalculated using the increased minimum amount of consideration payable to the Company upon the exercise of such Rights or Options or the conversion or exchange of such Convertible Securities.

- d) **No Other Adjustments.** No further adjustment of the Conversion Price, adjusted upon the issuance of such Rights or Options or Convertible Securities, shall be made as a result of the actual issuance of shares of Common Stock on the exercise of any such Rights or Options or the conversion or exchange of any such Convertible Securities. If any such Rights or Options or the conversion rights represented by any such Convertible Securities shall expire without having been fully exercised, then the Conversion Price as adjusted upon the issuance of such Rights or Options or Convertible Securities shall be readjusted to the Conversion Price which would have been in effect had an adjustment been made on the basis that the only shares of Common Stock so issued were the shares of Common Stock, if any, that were actually issued or sold on the exercise of such Rights or Options or rights of conversion or “change of such Convertible Securities, and such shares of Common Stock, if any, that were issued or sold for the consideration actually received by the Company upon such exercise, plus the consideration, if any, actually received by the Company for the granting of all such Rights or Options, whether or not exercised, plus the consideration received for issuing or selling all such Convertible Securities actually converted or exchanged, plus the consideration, if any, actually received by the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion or exchange of such Convertible Securities, provided that such readjustment shall not apply to prior conversions of Series A Preferred Stock.

(viii) **Certificate of Adjustment.** In each case of adjustment or readjustment of the Conversion Price for the Series A Preferred Stock, the Company, at its expense, shall cause its Chief Financial Officer to compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of the Series A Preferred Stock at the holder’s address as shown in the Company’s books.

(ix) **Fractional Shares.** No fractional shares of Common Stock shall be issued upon any conversion of Series A Preferred Stock. In lieu of any fractional share to which the holder would otherwise be entitled, the Company shall pay the holder cash equal to

the product of such fraction multiplied by the Common Stock's fair market value as determined in good faith by the Board as of the date of conversion.

(x) **Reservation of Stock Issuable Upon Conversion.** The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock; and, if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(xi) **Notices.** Unless otherwise specified, any notice required by the provisions of Section 1.e to be given to the holders of record of shares of Series A Preferred Stock, shall be deemed given upon the earlier of the following events:

- a) personal delivery to the party to be notified,
- b) facsimile transmission to the party to be notified (with written or facsimile confirmation of receipt) to the party to be notified,
- c) delivery by an overnight express courier service to the party to be notified (delivery, postage or freight charges prepaid) to the party to be notified, or
- d) on the fourth day following deposit in the United States Post Office (if sent by registered or certified mail, return receipt requested, with delivery, postage or freight charges prepaid), addressed to each holder of record appearing on the books of the Company.

(xii) **No Impairment.** The Company shall not avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but shall at all times in good faith assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred Stock against impairment.

(xiii) **Minimum Adjustment.** No adjustment of the Conversion Price shall be made in an amount less than \$.01 per share; provided, however, that any adjustments which are not required to be made as a result of the operation of this subsection 1.e(xiii) shall be carried forward and shall be taken into account in any subsequent adjustment.

(xiv) **Issue Taxes.** The Company shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on

conversion of Series A Preferred Stock pursuant hereto; provided, however, that the Company shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

f. **Miscellaneous.**

(i) **Redemption Rights.** The Series A Preferred Stock shall not have any redemption rights, mandatory or otherwise.

(ii) **No Reissuance of Series A Preferred Stock.** No share or shares of Series A Preferred Stock acquired by the Company by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, and eliminated from the shares which the Company shall be authorized to issue in accordance with RCW 23B.06.310(2) and (3) of the Washington Business Corporation Act.

(iii) **Purchase/Redemption of Shares.** The Company is authorized to purchase shares of Common Stock from present and former employees, consultants, directors and other persons performing services for the Company pursuant to the arrangements approved by the Board without taking into account the preferential liquidation rights of holders of any class or series of capital stock of the Company when applying the provisions of the Washington Business Corporation Act to determine the lawfulness of any such purchase or redemption.