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FILED
00 OCT 18 AM 10:35
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

October 17, 2000

Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

Re: Filing of Articles of Amendment to the Articles of Incorporation
of Phatpads.com Inc.

Dear Sir or Madam:

000003428210--3
-10/18/00--01019--002
*****43.75 *****43.75

Pursuant to Section 607.1006 of the Florida Statutes, we enclose for filing Articles of Amendment to the Articles of Incorporation of Phatpads.com Inc. Also enclosed is a check in the amount of \$43.75 payable to the Department of State in payment of the filing fee and a certified copy of the Articles of Amendment.

Please stamp or otherwise endorse your official title and the date and time of receipt on the enclosed original evidencing that the Articles of Incorporation of Phatpads.com Inc. have been duly amended and deliver a copy to the undersigned.

Call if you have any questions regarding this filing.

Very truly yours,

Bill

William D. Moorhead III

WDM/dmw
Enclosures
By hand delivery

cc/enc: Mr. Jay K. Hill
Mr. David R. Armstrong
Christopher H. Moran, CPA

COULLETTE OCT 18 2000

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DIVISION OF CORPORATION

**ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
PHATPADS.COM INC.**

Pursuant to the provisions of section 607.1006, Florida Statutes, this Florida profit corporation adopts the following articles of amendment to its articles of incorporation:

FIRST: Amendment adopted:

A new Article IVA is hereby added to read as follows:

ARTICLE IVA

AUTHORIZATION OF SERIES A CONVERTIBLE PREFERRED STOCK

A description of the Series A Convertible Preferred Stock, including the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption, is as follows:

1. Designation and Initial Number. The class of shares of Preferred Stock hereby authorized shall be designated the "Series A Convertible Preferred Stock," and the initial number of authorized shares in this series shall be 4,000,000.

2. Dividends. Commencing on the date of purchase, the holders of the Series A Convertible Preferred Stock shall be entitled to receive, out of funds at the time legally available for payment of dividends by the Corporation, a cumulative dividend at the rate of \$0.15 per share per annum, payable semi-annually in equal installments on the first days of May and November in each year, if, as and when determined by the Board of Directors, before any dividend shall be set apart or paid on any other capital stock for such year. The dividends on any shares of Series A Convertible Preferred Stock that have been issued for less than six months on any dividend date shall be reduced prorata according to the period of time such shares have been issued.

3. Redemption. The Corporation, at the option of the Board of Directors, may

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redeem the whole or any part of the Series A Convertible Preferred Stock at any time outstanding, at any time or from time to time after November 1, 2003, upon at least 30 days' prior written notice to the holders of record of the Series A Convertible Preferred Stock to be redeemed, by paying a redemption price per share equal to 110 percent of the amount of the consideration paid to the Corporation by the original purchasers in consideration for the issuance of each share of Series A Convertible Preferred Stock, plus all accrued and unpaid dividends declared thereon, at the date fixed for redemption, without interest, in cash, for each share of Series A Convertible Preferred Stock so redeemed. The Board of Directors shall have full power and authority, subject to the limitations and provisions herein contained, to prescribe the manner in which and the terms and conditions upon which the Series A Convertible Preferred Stock shall be redeemed at any time and from time to time. The notice of redemption to each shareholder whose shares of Series A Convertible Preferred Stock are to be redeemed shall specify the number of shares of Series A Convertible Preferred Stock of such shareholder to be redeemed, the date fixed for redemption and the redemption price at which the shares of Series A Convertible Preferred Stock are to be redeemed, and shall specify where payment of the redemption price is to be made upon surrender of such shares, shall state the conversion rate then in effect, and that conversion rights of such shares shall terminate at the close of business on the day prior to the date fixed for redemption. None of the Series A Convertible Preferred Stock acquired by the Corporation by redemption or otherwise shall be reissued or disposed of but shall, from time to time, be retired in the manner provided by law.

4. Rights on Liquidation, Dissolution, or Winding-up. In the event of any liquidation, dissolution or winding-up of the Corporation, the holders of shares of the Series A Convertible Preferred Stock then issued and outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, before any payment shall be made to the holders of shares of the Common Stock or of shares of any other class of stock of the Corporation, an amount equal to \$1.25 per share, plus an amount equal to the unpaid dividends accumulated and unpaid on each such share to and including the date of distribution on such share. If, upon any liquidation, dissolution or winding-up of the Corporation, the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of shares of the Series A Convertible Preferred Stock the full amounts to which they shall respectively be entitled, the holders of shares of the Series A Convertible Preferred Stock shall receive all of the assets of the Corporation available for distribution and

each such holder of shares of the Series A Convertible Preferred Stock shall share ratably in any distribution in the proportion which the amount payable to each such holder in respect of the shares of Series A Convertible Preferred Stock owned by him bears to the aggregate of all amounts payable to the holders of the Series A Convertible Preferred Stock. After payment shall have been made to the holders of shares of the Series A Convertible Preferred Stock of the full amount to which they shall be entitled, as aforesaid, the holders of shares of the Series A Convertible Preferred Stock shall be entitled to no further distributions thereon and the holders of shares of the Common Stock and of shares of any other class of stock of the Corporation shall be entitled to share, according to their respective rights and preferences, in all remaining assets of the Corporation available for distribution to its shareholders.

5. Conversion Rights. The holders of the Series A Convertible Preferred Stock shall have the following conversion rights and shall be subject to the following conversion obligations:

(a) General. Subject to and in compliance with the provisions of this Section 5, any shares of the Series A Convertible Preferred Stock may, at the option of the holder, be converted at any time or from time to time into fully paid and nonassessable shares (calculated as to each conversion to the largest whole share) of Common Stock. The number of shares of Common Stock to which a holder of Series A Convertible Preferred Stock shall be entitled upon conversion shall be the product obtained by multiplying the Applicable Conversion Rate, determined as provided in Section 5(c), by the number of shares of Series A Convertible Preferred Stock being converted.

(b) Conversion Following Underwritten Public Offering.

(i) All outstanding shares of Series A Convertible Preferred Stock shall, at the option of the Corporation and upon written notice to the holders thereof given within ten days after the closing (the "Closing") of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Corporation in which the Common Stock is sold at a price to the public of not less than four times the initial Applicable Conversion Rate of the Series A Convertible Preferred Stock and in which the aggregate gross proceeds to the Corporation exceed

\$5,000,000, be converted as of the date specified in the Corporation's notice (which date shall be within thirty days after the Closing) into the number of shares of Common Stock into which such Series A Convertible Preferred Stock is convertible pursuant to Section 5(a) hereof automatically and without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent for the Common Stock.

(ii) Upon the occurrence of the conversion specified in Section 5(b)(i), the holders of such Series A Convertible Preferred Stock shall surrender the certificates representing such shares at the office of the Corporation or of its transfer agent for the Common Stock. Thereupon, there shall be issued and delivered to such holder a certificate or certificates for the number of shares of Common Stock into which the shares of the Series A Convertible Preferred Stock surrendered were convertible on the date on which such conversion occurred. The Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless certificates evidencing such shares of the Series A Convertible Preferred Stock being converted are either delivered to the Corporation or any such transfer agent or the holder notifies the Corporation or any such transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith.

(c) Applicable Conversion Rate. The conversion rate in effect at any time (the "Applicable Conversion Rate") shall be the quotient obtained by dividing \$1.25 by the applicable conversion value (the "Applicable Conversion Value"), calculated as provided in Section 5(d).

(d) Applicable Conversion Value. The Applicable Conversion Value in effect from time to time, except as adjusted in accordance with Section 5(e) hereof, shall be \$1.25.

(e) Adjustments to Applicable Conversion Value.

(i) Upon Sale of Common Stock. If the Corporation shall, while there are any shares of Series A Convertible Preferred Stock outstanding, issue or sell shares of its Common Stock without consideration or at a price per share less than the

Applicable Conversion Value in effect immediately prior to such issuance or sale, then in each such case such Applicable Conversion Value upon each such issuance or sale, except as hereinafter provided, shall be adjusted to an amount determined by multiplying the Applicable Conversion Value by a fraction:

(A) the numerator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, plus (b) the number of shares of Common Stock which the net aggregate consideration received by the Corporation for the total number of such additional shares of Common Stock so issued would purchase at the Applicable Conversion Value, and

(B) the denominator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, plus (b) the number of such additional shares of Common Stock so issued.

The Corporation's issuance of up to an aggregate of 1,056,524 shares of Common Stock pursuant to any stock purchase or stock option plan or other employee incentive program approved by the Board of Directors to the Corporation's employees, directors, officers or consultants shall not be deemed an issuance of additional shares of Common Stock and shall have no effect on the calculations contemplated by this Section 5; provided, however, that none of such 1,056,524 shares (or options to purchase such shares) shall be granted to any person owning 5 percent or more of the outstanding Common Stock without the prior consent of a majority in interest of the holders of the Series A Convertible Preferred Stock.

For the purposes of this Section 5(e)(i), the issuance of any warrants, options, subscriptions or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock, or the issuance of any warrants, options or any rights with respect to such convertible or exchangeable securities, shall be deemed an issuance at such time of such Common Stock if the Net Consideration Per Share (as hereinafter determined) which may be received by the Corporation for such Common Stock shall be less than the Applicable Conversion Value at the time of such issuance. Any obligation, agreement or undertaking to issue warrants, options, subscriptions or purchase rights at

any time in the future shall be deemed to be an issuance at the time such obligation, agreement or undertaking is made or arises. No adjustment of the Applicable Conversion Value shall be made under this Section 5(e)(i) upon the issuance of any shares of Common Stock which are issued pursuant to the exercise of any warrants, options, subscriptions or purchase rights or pursuant to the exercise of any conversion or exchange rights with respect to any convertible securities if any adjustment shall previously have been made upon the issuance of any such warrants, options or subscriptions or purchase rights or upon the issuance of any convertible securities (or upon the issuance of any warrants, options or any rights therefor) as above provided. Any adjustment of the Applicable Conversion Value with respect to this paragraph which relates to warrants, options, subscriptions or purchase rights with respect to shares of Common Stock shall be disregarded if, as, and when all of such warrants, options, subscriptions or purchase rights expire or are canceled without being exercised, so that the Applicable Conversion Value effective immediately upon such cancellation or expiration shall be equal to the Applicable Conversion Value in effect at the time of the issuance of the expired or canceled warrants, options, subscriptions or purchase rights, with such additional adjustments as would have been made to that Applicable Conversion Value had the expired or canceled warrants, options, subscriptions or purchase rights not been issued. For purposes of this paragraph, the "Net Consideration Per Share" which may be received by the Corporation shall be determined as follows:

(A) The "Net Consideration Per Share" shall mean the amount equal to the total amount of consideration, if any, received by the Corporation for the issuance of such warrants, options, subscriptions, or other purchase rights or convertible or exchangeable securities, plus the minimum amount of consideration, if any, payable to the Corporation upon exercise or conversion thereof, divided by the aggregate number of shares of Common Stock that would be issued if all such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities were exercised, exchanged, or converted.

(B) The "Net Consideration Per Share" which may be received by the Corporation shall be determined in each instance as of the date of issuance of warrants, options, subscriptions, or other purchase rights or convertible or exchangeable securities without giving effect to any possible future price adjustments or rate adjustments which may be applicable with respect to such warrants, options,

subscriptions, or other purchase rights or convertible or exchangeable securities.

For purposes of this Section 5(e)(i), if a part or all of the consideration received by the Corporation in connection with the issuance of shares of the Common Stock or the issuance of any of the securities described in this Section 5(e)(i) consists of property other than cash, the Corporation at its expense will promptly cause independent certified public accountants of recognized standing selected by the Corporation to value such property, and the value so determined shall be reported to the Corporation and such consideration shall be recorded on the books of the Corporation with respect to receipt of such property.

This Section 5(e)(i) shall not apply under any of the circumstances which would constitute an Extraordinary Common Stock Event, as hereinafter defined in Section 5(e)(ii).

(ii) Upon Extraordinary Common Stock Event. Upon the happening of an Extraordinary Common Stock Event (as hereinafter defined), the Applicable Conversion Value (and all other conversion values set forth in paragraph (e)(i) above) shall, simultaneously with the happening of such Extraordinary Common Stock Event, be adjusted by multiplying the then effective Applicable Conversion Value by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be the Applicable Conversion Value. The Applicable Conversion Value, as so adjusted, shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Event or Events.

"Extraordinary Common Stock Event" shall mean (i) the issue of additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock, (ii) subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) combination of outstanding shares of Common Stock into a smaller number of shares of Common Stock.

(f) Dividends. In the event the Corporation shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a

dividend or other distribution payable in securities of the Corporation other than shares of Common Stock or payable in assets (excluding cash dividends or distributions), then and in such event provision shall be made so that the holders of Series A Convertible Preferred Stock shall receive upon conversion thereof in addition to the number of shares of Common Stock receivable thereupon, the number of securities or such other assets of the Corporation which they would have received had their Series A Convertible Preferred Stock been converted into Common Stock on the date of such event to and including the Conversion Date as that term is hereafter defined in Section 5(j), and retained such securities or such other assets receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this Section 5 with respect to the rights of the holders of the Series A Convertible Preferred Stock.

(g) Recapitalization or Reclassification. If the Common Stock issuable upon the conversion of the Series A Convertible Preferred Stock shall be changed into the same or a different number of shares of any class or classes of stock of the Corporation, whether by recapitalization, reclassification, or otherwise [other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 5, or a reorganization, merger, consolidation, or sale, lease, exchange or transfer of assets provided for elsewhere in this Section 5], then and in each such event, the holder of each share of Series A Convertible Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification or other change by holders of the number of shares of Common Stock into which such share of Series A Convertible Preferred Stock could have been converted immediately prior to such reorganization, reclassification or change, all subject to further adjustment as provided herein.

(h) Capital Reorganization, Merger or Sale of Assets. If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 5) or a merger or consolidation of the Corporation with or into another corporation or the sale, lease, exchange or transfer of all or substantially all of the assets of the Corporation to any other person or entity, then, as a part of such reorganization, merger, consolidation or sale, lease, exchange or transfer, provision shall be made so that the holders of the Series A Convertible Preferred Stock shall

thereafter be entitled to receive upon conversion of the Series A Convertible Preferred Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such merger, consolidation or sale, lease, exchange or transfer, to which a holder of Common Stock issuable upon conversion would have been entitled on such capital reorganization, merger, consolidation or sale, lease, exchange or transfer. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of the Series A Convertible Preferred Stock after the reorganization, merger, consolidation or sale, lease, exchange, or transfer to the end that the provisions of this Section 5 (including adjustment of the Applicable Conversion Value then in effect and the number of shares purchasable upon conversion of the Series A Convertible Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.

(i) Accountant's Certificate As to Adjustments. In each case of an adjustment or readjustment of the Applicable Conversion Rate, the Corporation shall furnish each holder of Series A Convertible Preferred Stock with a certificate, prepared by independent certified public accountants of recognized standing, showing such adjustment or readjustments and stating in reasonable detail the facts upon which such adjustment or readjustment is based.

(j) Exercise of Conversion Privilege. To exercise this conversion privilege, a holder of Series A Convertible Preferred Stock shall surrender the certificate or certificates representing the shares being converted to the Corporation at its principal office, and shall give written notice to the Corporation at that office that such holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Series A Convertible Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Corporation or in blank. The date when such written notice is received by the Corporation, together with the certificate or certificates representing the shares of Series A Convertible Preferred Stock being converted, shall be the "Conversion Date." As promptly as practicable after the Conversion Date, the Corporation shall issue and shall deliver to the holder of the shares of Series A Convertible Preferred Stock being converted, or on its written order, such certificate or certificates as it may request for the number of whole shares of

Common Stock issuable upon the conversion of such shares of Series A Convertible Preferred Stock in accordance with the provisions of this Section 5, cash in the amount of all accrued and unpaid dividends on such shares of Series A Convertible Preferred Stock, whether or not earned or declared, up to and including the Conversion Date, and cash, as provided in Section 5(k), in respect of any fraction of a share of Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Conversion Date, and at such time the rights of the holder as holder of the converted shares of Series A Convertible Preferred Stock shall cease and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby.

(k) Cash in Lieu of Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon the conversion of shares of Series A Convertible Preferred Stock. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of Series A Convertible Preferred Stock, the Corporation shall pay to the holder of the shares of Series A Convertible Preferred Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the Conversion Date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series A Convertible Preferred Stock being converted at any one time by any holder thereof, not upon each share of Series A Convertible Preferred Stock being converted.

(l) Partial Conversion. In the event some but not all of the shares of Series A Convertible Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the Corporation shall execute and deliver to or on the order of the holder, at the expense of the Corporation, a new certificate representing the number of shares of Series A Convertible Preferred Stock which were not converted.

(m) Reservation of Common Stock. The Corporation 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 Convertible 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 Convertible 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 Convertible Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

6. Voting.

(a) General. Subject to Sections 6(b) and 6(c), each share of Series A Convertible Preferred Stock is entitled to one vote, voting together with the holders of shares of Common Stock, and not as a class, on each matter submitted to a vote at a meeting of shareholders of the Corporation.

(b) Preferred Director. With respect to the election of directors of the Corporation, the holders of the Series A Convertible Preferred Stock shall have the exclusive right to nominate and to elect one director who shall be known as the Preferred Director. In the event of death, disability, removal, resignation or refusal to act of the Preferred Director, the holders of the Series A Convertible Preferred Stock, to the exclusion of the holders of all other classes of stock of the Corporation, shall nominate and elect one or more directors to fill the vacancy or vacancies so created by such death, disability, removal, resignation or refusal to act.

(c) Right to Elect all Directors Under Certain Events. Anything contained in the Corporation's Articles of Incorporation to the contrary notwithstanding, upon the occurrence of an Event of Election (as defined below) the holders of shares of the Series A Convertible Preferred Stock shall be immediately entitled, and shall thereafter have the continuing right, to remove any or all directors then holding office as such and to elect all of the members of the Board of Directors of the Corporation. Any action by the holders of shares of the Series A Convertible Preferred Stock under this Section 6 (c) may be taken by a unanimous written consent of the holders of the Series A Convertible Preferred Stock, which shall be effective automatically upon the execution of such written consent by all holders of the Series A Convertible Preferred

Stock and without any further action required on the part of the Corporation or the holders of shares of the Series A Convertible Preferred Stock, or by an affirmative vote of the holders of a majority of shares of the Series A Convertible Preferred Stock entitled to be cast at any meeting of the shareholders of the Corporation at which a quorum of the holders of the shares of Series A Convertible Preferred Stock is present. After an Event of Election, in the event of the death, disability, removal, resignation or refusal to act of any of the members of the Board of Directors, the holders of the shares of Series A Convertible Preferred Stock, to the exclusion of the holders of shares of any other class of stock of the Corporation, shall nominate and elect one or more directors to fill the vacancy or vacancies so created by such death, disability, removal, resignation or refusal to act. The term "Event of Election" shall mean the occurrence of any of the events specified below:

(1) There shall be unpaid dividends in respect of any share of Series A Convertible Preferred Stock in an aggregate amount of \$0.15 or more, whether or not payment of dividends shall be legally permissible;

(2) The Corporation shall be in breach or violation of or in default in any material respect under any debenture, loan agreement, note, indenture, mortgage, lease or other debt, obligation or security;

(3) If the Corporation (i) applies for or consents to the appointment of, or if there shall be a taking of possession by, a receiver, custodian, trustee or liquidator for the Corporation, or any of its property; (ii) becomes generally unable to pay its debts as they become due; (iii) makes a general assignment for the benefit of creditors or becomes insolvent; (iv) files or is served with any petition for relief under the United States Bankruptcy Code or any similar federal or state statute; (v) has any attachment or levy made to or against any of its property or assets; (vi) defaults with respect to any evidence of indebtedness or liability for borrowed money, or any such indebtedness shall not be paid as and when due and payable; or (vii) has assessed or imposed against it, or if there shall exist, any general or specific lien for any federal, state or local taxes or charges (other than liens or property taxes not then delinquent) against any of its property or assets.

7. Changes in Terms of Series A Convertible Preferred Stock. The terms of the Series A Convertible Preferred Stock may not be amended, altered or repealed,

and no class of capital stock or securities convertible into capital stock shall be authorized which has superior rights to the Series A Convertible Preferred Stock as to dividends, liquidation or vote, without the consent of the holders of at least two-thirds of the outstanding shares of Series A Convertible Preferred Stock.

8. No Implied Limitations. Except as otherwise provided by express provisions of this Article 8, nothing herein shall limit, by inference or otherwise, the discretionary right of the Board of Directors to divide any or all of the shares of any preferred or special classes into series and, within the limitations set forth in the Florida Business Corporation Act, to fix and determine the relative rights and preferences of the shares of any series so established, to the full extent provided in the Articles of Incorporation of the Corporation.

9. General Provisions. In addition to the above provisions with respect to the Series A Convertible Preferred Stock, such Series A Convertible Preferred Stock shall be subject to, and entitled to the benefits of, the provisions set forth in the Corporation's Articles of Incorporation with respect to Preferred Stock generally.

10. Notices. All notices required or permitted to be given by the Corporation with respect to the Series A Convertible Preferred Stock shall be in writing, and if delivered by first class United States mail, postage prepaid, to the holders of the Series A Convertible Preferred Stock at their last addresses as they shall appear upon the books of the Corporation, shall be conclusively presumed to have been duly given, whether or not the shareholder actually receives such notice; provided, however, that failure to duly give such notice by mail, or any defect in such notice, to the holders of any stock designated for redemption, shall not affect the validity of the proceedings for the redemption of any other shares of Series A Convertible Preferred Stock.

SECOND: The date of the amendment's adoption: The amendment was adopted on October 1, 2000.

THIRD: Adoption of Amendment: The amendment was adopted by the board of directors without shareholder action, and shareholder action was not required.

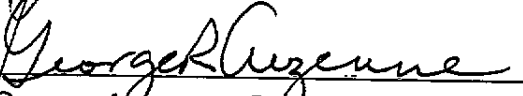
SIGNED this 16th day of October, 2000.

Phatpads.com Inc.

By:


Jay K. Hill, President

Attest:


George Auzenne, Secretary