07/17/98 FRI 11:43 FAX 727 441 86[illegible] JOHNSON BLAKELY 001

P95000030500

7/16/98 FLORIDA DIVISION OF CORPORATIONS 11:53 AM
PUBLIC ACCESS SYSTEM
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(((H98000013197 2)))

TO: DIVISION OF CORPORATIONS FAX #: (850)922-4000

FROM: JOHNSON, BLAKELY, POPE, BOKOR, RUPPEL & BURN ACCT#: 076666002140
CONTACT: LANA CAHILL
PHONE: (813)461-1818 FAX #: (813)441-8617

NAME: 1 NATION TECHNOLOGY CORP.
AUDIT NUMBER......H98000013197
DOC TYPE..........BASIC AMENDMENT
CERT. OF STATUS..0 PAGES....... 4
CERT. COPIES......1 DEL.METHOD.. FAX
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98 JUL 17 PM 4:11
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Amendment
07-17-98
DC

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DIVISION OF CORPORATIONS

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(((H98000013197 2)))

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DIVISION OF CORPORATIONS

FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

July 16, 1998

1 NATION TECHNOLOGY CORP.
12704 DUPONT CIRCLE
TAMPA, FL 33626

SUBJECT: 1 NATION TECHNOLOGY CORP.
REF: P95000030500

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refax the complete document, including the electronic filing cover sheet.

The exhibit mentioned in the third paragraph of CORPORATE ACTIONS BY STOCKHOLDERS AND DIRECTORS was not attached.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6906.

Darlene Connell
Corporate Specialist

FAX Aud. #: H98000013197
Letter Number: 898A00037962

H98000013197

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
1 NATION TECHNOLOGY CORP.

The undersigned, as President of 1 NATION TECHNOLOGY CORP., a Florida corporation ("Corporation"), does hereby certify that the Amendment provided for herein to change the number of authorized shares of common stock of the Corporation was adopted unanimously by CORPORATE ACTIONS BY CONSENT OF THE SOLE STOCKHOLDER AND SOLE DIRECTOR of the Corporation on the 9th day of July, 1998. The document number of the Corporation is P95000030500.

1. The name of the Corporation is 1 NATION TECHNOLOGY CORP.

2. Article IV of the Articles of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

ARTICLE IV - Capital Stock

This corporation shall be authorized to issue Two Thousand (2,000) shares of common stock at $.01 par value per share. The holders of common stock shall be entitled to one (1) vote for each share held at all meetings of the stockholders of the corporation, and such shares shall be fully paid and non-assessable.

3. All other Articles and provisions of the Articles of Incorporation as filed on April 19, 1995, remain the same as originally filed.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment on the 9th day of July, 1998.

1 NATION TECHNOLOGY CORP.,
a Florida corporation

By: ______________________
Richard E. McKay
President

FILED
98 JUL 17 PM 4:11
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Donald P. Reed, Esq.
Johnson, Blakely, Pope, Bokor,
Ruppel & Burns, P.A.
911 Chestnut Street
Clearwater, FL 33756
(813) 461-1818
Florida Bar No. 995274

dr/162145

H98000013197

CORPORATE ACTIONS BY CONSENT OF THE SOLE STOCKHOLDER AND SOLE DIRECTOR OF <u>1 NATION TECHNOLOGY CORP.</u>

The undersigned, being the sole Stockholder and the sole Director of **1 NATION TECHNOLOGY CORP.**, a Florida corporation (the "Corporation"), does hereby agree, consent to, adopt and order the following corporate actions in lieu of holding a formal meeting regarding the same, pursuant to the provisions of Sections 607.0704 and 607.0821, *Florida Statutes*.

The undersigned hereby waives all formal requirements, including the necessity of holding a formal or informal meeting and any requirements that notice of such meeting be given.

WHEREAS, the sole Stockholder and the sole Director of the Corporation deems it advisable and in the best interests of the Corporation to enter into a Loan and Security Agreement with Reedy River Ventures Limited Partnership for a loan in the original principal amount of $2,000,000 (the "Loan Agreement") pursuant to the terms and conditions of the letter of intent dated May 18, 1998, a copy of which is attached hereto as Exhibit A, with such modifications and such additional terms and conditions as may be agreed to by the President of the Corporation; and

WHEREAS, the sole Stockholder and the sole Director of the Corporation deems it advisable and in the best interests of the Corporation to enter into a promissory note with Reedy River Ventures Limited Partnership for the sum of $2,000,000 (the "Note") pursuant to the Loan Agreement; and

WHEREAS, the sole Stockholder and the sole Director of the Corporation deems it advisable and in the best interests of the Corporation to enter into a Stock Pledge Agreement with Reedy River Ventures Limited Partnership in order to grant a security interest in certain collateral (the "Stock Pledge Agreement"); and

WHEREAS, the sole Stockholder and the sole Director of the Corporation deems it advisable and in the best interests of the Corporation to issue stock purchase warrants (the "Warrants") to Reedy River Ventures Limited Partnership in order to consummate the transactions set forth in the Loan Agreement, with the Warrants being subject to the terms and conditions of a Warrant Agreement between the Corporation and Reedy River Ventures Limited Partnership as negotiated and agreed to by the President of the Corporation; and

WHEREAS, the sole Stockholder and the sole Director of the Corporation deems it advisable and in the best interests of the Corporation to file with the State of Florida Amended Articles of Incorporation for the Corporation to increase the number of shares of authorized Common Stock to 2,000 and thereafter to issue and reserve a sufficient number of shares of Common Stock of the Corporation for purposes of issuing the Warrants; and

WHEREAS, the sole Stockholder and the sole Director of the Corporation deems it advisable and in the best interests of the Corporation to grant a security interest in the assets of the Corporation pursuant to the Loan Agreement and a security interest in certain collateral pursuant to the Stock Pledge Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Corporation is hereby authorized to enter into the Loan Agreement with Reedy River Ventures Limited Partnership pursuant to the terms of Exhibit A with such modifications and such additional terms and conditions as agreed to by the President of the Corporation and the President of the Corporation is hereby authorized to execute the Loan Agreement for the Corporation.

FURTHER RESOLVED, that the Corporation is hereby authorized to enter into the Stock Pledge Agreement.

FURTHER RESOLVED, that the Corporation is hereby authorized to enter into the Note pursuant to the Loan Agreement.

FURTHER RESOLVED, that the Corporation is hereby authorized to issue the Warrants in order to consummate the transactions as set forth in the Loan Agreement.

FURTHER RESOLVED, that the Corporation is hereby authorized to file with the State of Florida Amended Articles of Incorporation for the Corporation to increase the number of shares of authorized Common Stock to 2,000 and thereafter issue and reserve a sufficient number of shares of Common Stock of the Corporation underlying the Warrants to be issued to Reedy River Ventures Limited Partnership.

FURTHER RESOLVED, that the Corporation is hereby authorized to issue 100 shares of the Common Stock of the Corporation to Michael Jaffe pursuant to the Stock Option/Non-Competition Agreement dated October 1, 1997.

FURTHER RESOLVED, that the Corporation is hereby authorized to grant a security interest in the assets of the Corporation pursuant to the Loan

Agreement and a security interest in certain collateral pursuant to the Stock Pledge Agreement.

FURTHER RESOLVED, that the President of the Corporation is hereby authorized, empowered and directed, on behalf of the Corporation, to execute and deliver or file all instruments, certificates and documents that he shall determine necessary, appropriate or desirable to carry out the foregoing resolutions, any such determination to be conclusively evidenced by the doing or performing of any such act or thing or the execution and delivery of any such instrument, certificate or document.

FURTHER RESOLVED, that the President of the Corporation is hereby authorized, empowered and directed, on behalf of the Corporation, to travel out of the state of Florida and execute documents outside the State of Florida in order to carry out the foregoing resolutions.

FURTHER RESOLVED, that the President of the Corporation is hereby authorized to retain such legal counsel as he shall deem to be necessary or desirable in carrying out the foregoing resolutions.

FURTHER RESOLVED, that the actions of the officers of the Corporation from the last meeting of the sole Stockholder and the sole Director of the Corporation until the date of this Corporate Action are hereby ratified and confirmed as the acts of the Corporation.

IN WITNESS WHEREOF, the undersigned sole Stockholder and sole Director of the Corporation has executed the foregoing Corporate Actions By Consent for the purpose of giving his consent thereto as of the 1st day of July, 1998.

SOLE STOCKHOLDER:

Richard E. McKay

SOLE DIRECTOR:

Richard E. McKay

dpf/161529

EXHIBIT A

emergent business capital
equity group

7 N. Laurens Street Suite 603 Greenville, South Carolina 29601 864-232-6198 Fax 864-241-4444

May 18, 1998

Mr. Richard McKay
Chief Executive Officer
1 Nation Technology Corporation
12704 Dupont Circle
Tampa, Florida 33626

Dear Rick:

This letter will confirm the interest of Reedy River Ventures, L.P. in lending $2,000,000 to 1 Nation Technology Corporation on the terms described below. Please note that this letter is only a proposal and not a commitment to lend money.

Borrower:	1 Nation Technology Corporation
Lender:	Reedy River Ventures, L.P
Amount:	$2,000,000
Use of Proceeds:	Reduce revolving line of credit and provide working capital for operations.
Facility:	Secured subordinated debt.
Coupon:	13.0%, payable monthly
Term:	5 years; prepayment without penalty.
Amortization:	Interest only payable monthly. Principal due at maturity.
Collateral:	Secured lien on all assets, now owned or hereafter acquired, of Borrower and any subsidiary, subordinated only to a senior lien not to exceed $4,000,000.
	Pledge to Lender of all outstanding stock of Borrower.
	Assignment to Lender of $2,000,000 in Key Man Life Insurance on Richard McKay.

Assignment of Employment Agreement on terms acceptable to Lender between Richard McKay and 1 Nation Technology Corporation to Lender.

Processing Fee: 1.75% ($35,000). A deposit equal to 0.75% of the loan amount is payable upon acceptance of this letter with the balance due at closing. The deposit will be refunded, less out of pocket expenses of Lender, if Lender fails to provide a firm commitment. If Borrower fails to close this transaction, Lender shall retain the deposit.

Board Seat: Visitation rights only.

Equity Participation: Lender will receive a warrant to purchase 11.75% of the fully diluted outstanding common stock of Borrower at an exercise price of $0.01 per share. If the loan is repaid prior to December 31, 1999, the number of common shares purchasable under the warrant will decrease to 6.75% of the fully diluted outstanding common stock of the Borrower. If the loan is repaid prior to December 31, 2000, the number of shares purchasable under the warrant will decrease to 8.50% of the fully diluted outstanding common stock of the Borrower. If the loan is repaid prior to December 31, 2001, the number of common shares purchasable under the warrant will decrease to 10.5% of the fully diluted outstanding common stock of the Borrower.

Additional Clawback: If the company meets EBITDA levels listed below in Column 1 and repays Lender's debt in the given year OR has a liquidity event (IPO or sale of the Borrower) at or above the pre-money enterprise values listed in Column 2 and repays Lender's debt in the given year, the warrant will decrease to the levels shown in Column 3. EBITDA shall be defined as the audited earnings before interest, taxes, depreciation, and amortization. Enterprise value shall be defined as the value ascribed to 100% of the equity plus the amount of the interest bearing debt.

	Column 1 Annualized EBITDA Level	Column 2 Pre-Money Enterprise Value	Column 3 Warrant Position
December 31, 1999	$1,658,000	$ 9,952,000	4.25%
December 31, 2000	$2,185,000	$13,110,000	5.50%
December 31, 2001	$2,842,000	$17,052,000	6.75%
December 31, 2002	$3,694,750	$22,164,000	8.00%

Equity Rights: Standard anti-dilution protection, rights of co-sale and registration rights.

Put Option: At any time five years after the closing date, Lender may require Borrower to purchase its warrant or the underlying stock at the appraised fair market value.

Conditions: No material adverse changes in the financial condition or business prospects of Borrower.

Satisfactory completion of due diligence and legal documentation, including negotiation of financial and other covenants. Documentation will contain terms and conditions customary for transactions of this type.

If Borrower retains S-Corporation status, distributions to shareholders shall be limited to income tax distributions.

No less than $2,000,000 and no greater than $4,000,000 line of credit with lender and terms acceptable to Lender, including terms of any subordination agreement.

Approval by the Credit Committee of Emergent Business Capital Equity Group, Inc.

Expenses:	Borrower to pay all reasonable legal and out of pocket expenses incurred by Lender in connection with this transaction, whether the transaction contemplated herein closes or not.
Closing:	Prior to June 30, 1998
Term Sheet Expiration:	This proposal will expire if this term sheet is not accepted by May 22, 1998.

Please indicate your acceptance of the above terms by signing below and returning this term sheet together with your good faith deposit to my attention. This term sheet is a general outline for discussion purposes only and not an absolute commitment by Reedy River Ventures, L.P. to lend money. We look forward to working with you to complete this transaction.

Cordially,
Emergent Business Capital
Equity Group

J. Phillip Falls
Vice President

Accepted this 18th day of MAY, 1998

1 Nation Technology Corporation

by: Richard C Ackay

CEO
Title

5-18-98
Date