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February 23, 1998

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**VIA FEDERAL EXPRESS**

Florida Department of State  
Division of Corporations  
409 East Gaines Street  
Tallahassee, Florida 32304

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-02/24/98--01099--006  
\*\*\*\*\*35.00 \*\*\*\*\*35.00

Re: Omnii Products of Palm Beach, Inc.

Dear Sir or Madam:

Enclosed for filing please find the original and one copy of an Amendment to Articles of Incorporation of Omnii Products of Palm Beach, Inc., together with a check in the amount of \$35.00 in payment of the filing fee.

Please stamp as filed the enclosed copy of the Amendment and return it to me.

Sincerely,

M. Timothy Hanlon

MTH/cmc  
Enclosures

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

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AND  
FILED

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Amend 7 pg  
3-6-98



FLORIDA DEPARTMENT OF STATE  
Sandra B. Mortham  
Secretary of State

February 26, 1998

ALLEY, MAASS, ROGERS, ET.AL.  
% M. TIMOTHY HANLON  
P.O. BOX 431  
PALM BEACH, FL 33480-0431

SUBJECT: OMNII PRODUCTS OF PALM BEACH, INC.  
Ref. Number: P97000015455

We have received your document for OMNII PRODUCTS OF PALM BEACH, INC. and your check(s) totaling \$35.00. However, the enclosed document has not been filed and is being returned for the following correction(s):

Amendments for Florida profit corporations are filed in compliance with section 607.1006, Florida Statutes. Please see the enclosed information.

Please correct your document to reflect that it is filed pursuant to the correct statute number.

The date of adoption of each amendment must be included in the document.

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) 487-6916.

Carol Mustain  
Corporate Specialist

Letter Number: 498A00010866

*Call*

**AMENDMENT TO ARTICLES OF INCORPORATION  
OF  
OMNII PRODUCTS OF PALM BEACH, INC.**

Pursuant to the provisions of §607.1006 of the Florida Business Corporation Act, the undersigned corporation adopts the following Amendments to its Articles of Incorporation as of February 19, 1998:

1. The name of this corporation is OMNII PRODUCTS OF PALM BEACH, INC. (the Corporation").

2. This Amendment to the Articles of Incorporation of the Corporation were duly adopted by written consent executed by the directors and the shareholders of the Corporation pursuant to §607.1006 of the Florida Business Corporation Act.

3. Except as hereby amended, the Articles of Incorporation of the Corporation shall remain the same:

ARTICLE IV - CAPITAL STOCK

1. The aggregate number of shares of stock authorized to be issued by this corporation shall be 25,000,000 shares of common stock, each with a par value of \$.001, and 10,000,000 shares of preferred stock, each having a par value of \$.01. Each share of issued and outstanding common stock shall entitle the holder thereof to fully participate in all shareholders meetings, to cast one vote on each matter with respect to which shareholders have the right to vote, and to share ratably in all dividends and other distributions declared and paid with respect to the common stock, as well as in the net assets of the corporation upon liquidation or dissolution.

Shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors is authorized to fix the number of shares in each series, the designation thereof and the relative rights, preferences and limitations of each series, and specifically, the Board of Directors is authorized to fix with respect to each series (a) the dividend rate, (b) redeemable features, if any (c) rights upon liquidation; (d) whether or not the shares of such series shall be subject to a purchase, retirement or sinking fund provision; (e) whether or not the shares of such series shall be convertible into or exchangeable for shares of any other class and, if so, the rate of conversion or exchange; (f) restrictions, if any, upon the payment of

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dividends on common stock; (g) restrictions, if any, upon the creation of indebtedness; (h) voting powers, if any, of the shares of each series; and (i) such other rights, preferences and limitations as shall not be inconsistent with the laws of the State of Florida.

2. Series A Preferred Stock

a. Designation and Number of Shares. One Hundred Thirty Thousand (130,000) shares of the Preferred Stock of the Corporation shall be designated and known as "Series A Preferred Stock."

b. Par Value; Preemptive Rights. The Series A Preferred Stock has a par value of \$.01 per share. Holders of Series A Preferred Stock shall not be entitled to any preemptive rights to acquire shares of any class or series of capital stock of the Corporation.

c. Rank. The Series A Preferred Stock shall rank, with respect to rights to receive distributions upon the liquidation, winding up or dissolution of the Corporation (whether voluntary or involuntary) senior to the Corporation's Common Stock.

d. Dividends. Subject to the provisions of law and the rights of any other class or series of stock having a preference as to dividends senior to the Series A Preferred Stock, holders of shares of Series A Preferred Stock will be entitled to receive, when, as and if declared by the Board of Directors out of the funds of the Company legally available therefor, cash dividends at an annual rate of \$.90 per share payable semi-annually as of June 30 and December 31 in each year, beginning June 30, 1998, (but no less in terms of frequency and amount than dividends declared and paid to holders of Common Stock) except that if any such date is a Saturday, a Sunday or legal holiday then such dividend shall be payable on the next business day. Dividends will be cumulative from the date of first issuance of the Series A Preferred Stock and will be payable to holders of record as they appear on the stock books of the Company on such record dates as are fixed by the Board of Directors. Notwithstanding the foregoing, the Corporation shall not declare or pay any dividends on the Series A Preferred Stock in the event that there is outstanding any amount of indebtedness owed by the Corporation to Sirrom Investments, Inc. ("Sirrom").

e. Voting. Except as otherwise provided from time to time by the laws of the State of Florida or the Corporation's Articles of Incorporation, the holders of the Series A Preferred Stock shall have no voting rights.

f. Liquidation Preference. Upon any voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the holders of Series A

Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders, before any distribution of assets shall be made to the holders of the Common Stock, a liquidating distribution in an amount equal to \$11.00 plus the amount of any unpaid cumulative dividends (the "Liquidation Preference").

If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the assets available for distribution are insufficient to pay in full the amounts payable with respect to the Series A Preferred Stock, the holders of the Series A Preferred Stock shall share ratably in any distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled.

After payment to the holders of the Series A Preferred Stock of the full preferential amounts provided for in this Section 6, the holders of the Series A Preferred Stock shall not be entitled to any further participation in any distribution of assets by the Corporation. For purposes of this Section 6, neither a consolidation or merger of the Corporation with or into another person nor a sale or transfer of all or substantially all of the assets of the Corporation will be deemed a liquidation, dissolution or winding up of the Corporation.

g. Conversion.

(i) At the election of a holder of the Series A Preferred Stock, such holder will have the right to convert any or all such shares into Common Stock at any time; however, any such conversion requires the prior written approval of Sirrom Investments, Inc. ("Sirrom"), so long as Sirrom owns warrants or common stock in the Company. The Preferred Stock shall be convertible at the rate of one share of Common Stock for each share of the Series A Preferred Stock converted.

(ii) At the election of the Corporation, the shares of Series A Preferred Stock may be mandatorily converted into shares of Common Stock of the Corporation at a conversion rate (the "Conversion Rate") of one share of Common Stock for each share of Series A Preferred Stock.

(iii) Upon conversion of the shares of Series A Preferred Stock into Common Stock, the holder or holders thereof shall surrender the certificate or certificates evidencing such shares of Series A Preferred Stock at the office of the transfer agent for the Series A Preferred Stock (or if there is no such transfer agent, to the Secretary of the Corporation), which certificate or certificates shall be duly endorsed to the Corporation or in blank, or accompanied by proper instruments of transfer.

Shares of Series A Preferred Stock shall be deemed to have been converted immediately prior to the close of business on the day of the surrender of such shares for conversion in accordance with the foregoing provisions, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock at such time. As promptly as practicable on or after the surrender of a certificate or certificates for conversion and the receipt of the notice relating thereto (and in any event within five business days thereafter), the Corporation shall deliver or cause to be delivered to the person or persons entitled to receive the same a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion.

(iv) The Corporation shall at all times reserve and keep available, free from preemptive rights, out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of shares of Series A Preferred Stock, the full number of shares of Common Stock then deliverable upon the conversion of all shares of Series A Preferred Stock then outstanding.

(v) Payment or adjustment shall be made upon any conversion of any share of Series A Preferred Stock on account of any unpaid and accrued dividends on the shares surrendered for conversion.

h. Redemption. The shares of Series A Preferred Stock shall be redeemed as follows:

(i) At the election of the Corporation from time to time, the Corporation may redeem any outstanding shares of Series A Preferred Stock. The shares of Series A Preferred Stock to be redeemed shall be redeemed by the Corporation paying for each share in cash an amount equal to \$11.00 per share of Series A Preferred Stock plus the amount of any unpaid cumulative dividends. The Series A Preferred Stock may not be redeemed without the written consent of Sirrom during any period that the secured loan from Sirrom is outstanding or while Sirrom owns Common Stock or warrants of the Corporation.

(ii) At least 30 days prior to a redemption of any shares of Series A Preferred Stock, written notice (the "Redemption Notice") shall be given by the Corporation by delivery in person, certified or registered mail, return receipt requested, telecopier or telex, to each holder of record (at the close of business on the business day next preceding the day on which the Redemption Notice is given) of shares of Series A Preferred Stock notifying such holder of the redemption and specifying the redemption price, the redemption date, the number of shares of Series A Preferred Stock to be redeemed from such holder (computed on a pro rata basis in accordance with the number of such shares held by all holders thereof) and the place

where such redemption price shall be payable. The Redemption Notice shall be addressed to each holder at the address as shown by the records of the Corporation. From and after the close of business on a redemption date, unless there shall have been a default in the payment of the redemption price, all rights of holders of shares of Series A Preferred Stock (except the right to receive the redemption price) shall cease with respect to the shares to be redeemed on such redemption date, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(iii) If less than all of the outstanding shares of Series A Preferred Stock are to be redeemed, the Company will select those shares to be redeemed pro rata or by lot or in such other manner as the Board of Directors may determine.

NOW THEREFORE, this Amendment to the Articles of Incorporation of Omnii Products of Palm Beach, Inc. is hereby executed on this 20<sup>th</sup> day of February, 1998.

OMNII PRODUCTS OF PALM BEACH,  
INC.

By: Kevin Thomas, Authorized Officer/Dir.  
Name: Kevin Thomas  
Title: Authorized Officer/Director