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A PROFESSIONAL ASSOCIATION

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FILED
99 NOV 19 AM 9:39
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

FEDERAL EXPRESS

November 18, 1999

FACSIMILE
(305) 858-4777

Florida Department of State
Division of Corporations
409 East Gaines Street
Tallahassee, Florida 32399

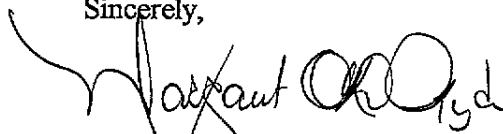
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*****87.50 *****87.50

RE: Terremark Holdings, Inc., f/k/a
Terremark Investment Services, Inc.

Ladies and Gentlemen:

Enclosed herein is the original Articles of Amendment to the Articles of Incorporation on behalf of the captioned company, providing for a series of Preferred Stock. Also enclosed is a check in the amount of \$87.50 to cover the requisite filing and certified copy fees. Please forward the certified copy of the Amendment to me in the enclosed self-addressed, prepaid Federal Express envelope. If you have any questions please call me at (305) 860-7362.

Sincerely,



Margaret O'D. Ryder
Legal Assistant

MOR

cc: Brian K. Goodkind

Amend

MOR/C.LTRCOV/255878/08316.031

V. SHEPARD DEC 1 1999

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
TERREMARK HOLDINGS, INC.**

FILED
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

1. The name of this corporation is Terremark Holdings, Inc., a Florida corporation (the "Corporation"), formerly known as Terremark Investment Services, Inc., whose principal address is 2601 South Bayshore drive, Penthouse One, Miami, Florida 33133.

2. Articles III of the Articles of Incorporation of Terremark Holdings, Inc. is hereby amended to read as follows:

"Article III - Capital Stock"

"This Corporation is authorized to issue Five Million (5,000,000) shares of Common Stock, having a par value of \$.01 per share, and Four Million One Hundred Seventy-Six Thousand Six Hundred Ninety-Three (4,176,693) shares of Series A Convertible Preferred Stock, having a par value of \$1.00 per share. The Statement of Designations, Powers, Preferences and Rights of the Series A Convertible Preferred Stock is attached hereto to as Exhibit A and made a part hereof."

The remainder of Article III shall remain the same.

4. The foregoing amendment was adopted by written consent of a majority of the directors and shareholders of the Corporation on April 1, 1998.

5. 1,121,250 shares of the Corporation's 5,000,000 shares of Common Stock, par value \$.01 per share, have been issued as of this date and as of the date of the adoption of the amendment.

IN WITNESS WHEREOF, the undersigned have duly executed these Articles of Amendment this 18th day of November, 1999.

Terremark Holdings, Inc. (f/k/a
Terremark Investment Services, Inc.)

(Corporate Seal)

By: BK
Brian K. Goodkind, Senior Vice
President and Secretary

And by: IP
Irving Padron, Vice President

STATE OF FLORIDA)
COUNTY OF MIAMI- DADE)

The foregoing instrument was acknowledged before me this 18th day of November, 1999 by Brian K. Goodkind and Irving Padron, the Senior Vice President and Secretary and Vice President, respectively, of Terremark Holdings, Inc., a Florida corporation, on behalf of the corporation. They are personally known to me.

Margaret O'D. Ryder
Notary Public, State of Florida
Margaret O'D. Ryder

My Commission Expires: _____ (SEAL)



Margaret O'D. Ryder
MY COMMISSION # CC555590 EXPIRES
September 15, 2000
BONDED THRU TROY FAIR INSURANCE, INC.

"Exhibit A"

TERREMARK INVESTMENT SERVICES, INC. (THE "COMPANY")
STATEMENT OF DESIGNATIONS,
POWERS, PREFERENCES AND RIGHTS OF
SERIES A CONVERTIBLE PREFERRED STOCK

There is hereby established a series of 4,176,693 shares of Preferred Stock, \$1.00 par value per share, designated as Series A Convertible Preferred Stock (the "Preferred Stock") with the following properties:

A. Rank.

The Preferred Stock shall rank senior to (a) the Company's Common Stock, \$1.00 par value per share (the "Common Stock"), and (b) any class or series of capital stock of the Company hereafter created (unless, with the consent of the holders of a majority of the outstanding shares of Preferred Stock, such class or series of capital stock specifically, by its terms, ranks senior to or pari passu with the Preferred Stock) (collectively, the "Junior Securities").

B. Dividends.

(I) The holders of Preferred Stock shall be entitled to receive a cash dividend of ten cents per year, beginning on March 31, 2000, which shall accumulate and be payable upon the redemption or conversion of the Preferred Stock as provided in Section D, below, or upon liquidation of the Company as provided in Section F, below, out of the assets of the Company that are by law available for the payment of such dividends.

(II) No distributions shall be made with respect to any Junior Securities without the consent of the holders of a majority of the outstanding shares of the Preferred Stock.

C. Voting Rights.

The holder of Preferred Stock shall not be entitled to vote upon any matter relating to the business or affairs of the Company or for any other purposes except as otherwise required by law.

D. Redemption.

(I) At any time after December 31, 2001, the Company shall have the right to redeem the Preferred Stock at a redemption price of \$1.05 per share

plus the Accrued Dividend (collectively, the "Redemption Price").

(II) Notice of any redemption, specifying the time and place of redemption, shall be mailed or caused to be mailed by the Company, addressed to the holder of record of Preferred Stock to be redeemed at the holder's last address as the same appears on the books of the Company, at least thirty days' prior to the date designated for redemption. Notwithstanding that any certificate for shares of Preferred Stock so called for redemption shall not have been surrendered for cancellation, the shares of Preferred Stock represented thereby shall no longer be deemed outstanding after the close of business on the date called for redemption, and the holder of such certificate or certificates shall have with respect to such shares of Preferred Stock no rights in or with respect to the Company except the right to receive the redemption price thereof, with interest, upon the surrender of such certificate or certificates, and after the date designated for redemption such shares of Preferred Stock shall not be transferable on the books of the Company.

(III) In the event that prior to the Company sending notice of redemption as set forth in subsection (II), above, the Company merges with, is acquired by, or otherwise enters into a transaction with another company which is a reporting company under the Securities Exchange Act of 1934, as amended, in such a manner that the holders of Common Stock of the Company become shareholders of such public reporting company, then the Preferred Stock shall automatically convert into Common Stock immediately prior to the closing of such transaction which Common Stock shall be treated identically with all of the Company's other Common Stock in the transaction. The conversion rate shall be the same formula as set forth herein before the date of execution of the definitive agreement binding the Company to such transaction.

(IV) The Company shall not, for so long as the Preferred Stock is outstanding, distribute to any holders of shares of Common Stock any assets (other than any dividend payable solely in cash out of retained earnings) or any rights to subscribe or any evidence of indebtedness or other securities of the Company (other than Common Stock).

E. Conversion Rights.

(I) At any time after January 31, 2002, the shares of Preferred Stock shall be convertible, at the option of the holder(s) thereof, upon ten days' written notice to the Company at the office of the Company, into fully paid and non-assessable shares of Common Stock.

(II) In case of: (i) any capital reorganization or any reclassification of the capital stock of the Company; (ii) the consolidation or merger of the Company with another corporation (other than a merger not involving any reclassification, conversion, or exchange of Common Stock to which the Company is the surviving corporation) as a result of which the surviving entity is not publicly traded; or (iii) any sale or conveyance of all or substantially all of the assets of the Company (the "Transaction"); then, at the option of either the Company or holder(s) of the Preferred Stock shall have the option of converting the Preferred Stock into Common Stock immediately prior to or as part of the Transaction.

(III) In the case of the consolidation or merger of the Company with another corporation (other than a merger not involving any reclassification, conversion, or exchange of Common Stock to which the Company is the surviving corporation) as a result of which the surviving entity is publicly traded; then, at the option of either the Company or holder(s) of the Preferred Stock shall have the option of converting the Preferred Stock into Common Stock immediately prior to or as part of the Transaction.

(IV) In the event of a conversion pursuant to paragraph E(I) or E(II) above, the Preferred Stock shall be converted into a number of shares of Common Stock ("X") using the following formula: $X = (\text{redemption price/fair market value of the Company}) \times 1,121,250$, wherein the redemption price is as set forth in D(I), for purposes of this section the fair market value of the Company is determined as set forth in Section E(XI), and 1,121,250 is the number of shares of Common Stock outstanding as of March 31, 1999.

(V) In the event of a conversion pursuant to Section E(III) above, the Preferred Stock shall be converted into a number of shares of Common Stock ("X") using the following formula: $X = (\text{redemption price/three times the fair market value of the Company}) \times 1,121,250$, wherein the redemption price is as set forth in D(I), the fair market value of the Company is determined as set forth in Section E(XI), and 1,121,250 is the number of shares of Common Stock outstanding as of March 31, 1999.

(VI) Before any holder of Preferred Stock shall be entitled to convert the Preferred Stock into Common Stock, the holder thereof shall surrender the certificate or certificates for such Preferred Stock, at any office hereinabove mentioned, which certificate or certificates shall be duly endorsed to the Company or in blank or accompanied by proper instruments of transfer of the Company or in blank, unless the Company shall waive such requirement, and shall give notice to the Company at any of said offices that

he elects so to convert said Preferred Stock, and shall state in writing therein the name or names in which the holder wishes the certificate or certificates for Common Stock to be issued.

(VII) The Company, will, as soon as practicable after such surrender of certificates for Preferred Stock accompanied by the written notice and the statement above prescribed, issue and deliver at the office of any transfer agent appointed as aforesaid, or at such other office or offices, if any, to the person for whose account such Preferred Stock was so surrendered or to his nominee or nominees, certificates for the number of shares of Common Stock to which the holder shall be entitled. Subject to the following provisions of this section, such conversion shall be deemed to have been made as of the date of such surrender of the Preferred Stock to be converted and the rights of the converting holder of the shares of the Preferred Stock as such holder shall cease and the person or persons in whose name or names the certificates for shares of Common Stock upon conversion of such Preferred Stock are to be issued shall be treated for all purposes as the record holder or holders of such Common Stock at the close of business on such date. The Company shall not be required to convert, and no surrender of Preferred Stock shall be effective for the purpose, while the stock transfer books of the Company are closed for any purpose, but the surrender of Preferred Stock for conversion during any period while such books are so closed shall become effective for conversion immediately upon the reopening of such books, as if the conversion had been made on the date such Preferred Stock was surrendered, and at the conversion rate in effect at the date of such surrender. In the event of any liquidation, dissolution or winding up of the affairs of the Company, all conversion rights of the holders of Preferred Stock shall terminate on the date fixed by resolution of the Board of Directors of the Company, which date shall not be later than 10 days nor earlier than 20 days prior to such liquidation, dissolution or winding up.

(VIII) The Company shall at all times reserve and keep available, out of its authorized and unissued shares of Common Stock, or other stock or securities deliverable upon conversion pursuant to this section, solely for the purpose of effecting the conversion of the Preferred Stock, such number of shares as shall from time to time be sufficient to effect the conversion of all shares of Preferred Stock from time to time outstanding. The Company shall from time to time, in accordance with the laws of Florida, increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued shall not be sufficient to permit the conversion of all the then outstanding Preferred Stock.

(IX) If the Company shall at any time pay a dividend on its

Common Stock in Common Stock, subdivide its outstanding shares of Common Stock into a larger number of shares or combine its outstanding shares of Common Stock into a smaller number of shares by reclassification or otherwise, the conversion rate in effect immediately prior thereto shall be adjusted so that each share of Preferred Stock shall thereafter be convertible into the number of shares of Common Stock that the holder of a share of Preferred Stock would have been entitled to receive after the happening of any of the events described above had such share of Preferred Stock been converted immediately prior to the happening of such event. An adjustment made pursuant to this section shall become effective retroactively to the record date in the case of any such dividend and shall become effective on the effective date in the case of a subdivision or combination.

(X) The Company will 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 Preferred Stock pursuant hereto. The Company shall not, however, be required to pay any tax which may be due in respect of any transfer involved in the issue and delivery of Common Stock in a name other than that in which the Preferred Stock so converted was registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Company the amount of any such tax, or has established, to the satisfaction of the Company, that such tax has been paid.

(XI) In connection with any conversion of Preferred Stock to Common Stock, the "fair market value" of the Company shall be the net worth of the Company as determined by the Company's customary independent certified public accountants as of the end of the calendar quarter immediately preceding the subject conversion of the Preferred Stock. The Company's certified public accountant's determination shall be final.

F. Liquidation Rights.

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, before any distribution or payment shall be made to the holder of any Common Stock or of any stock ranking junior to the Preferred Stock in respect to distribution of assets, the holders of the Preferred Stock shall be entitled to receive \$1.00 per share plus all interest which was outstanding, unpaid, and accrued as of the date of the liquidation payment to the holders of the Preferred Stock.

In the event the assets of the Company available for distribution to the

holder of shares of the Preferred Stock upon dissolution, liquidation or winding up of the Company shall be insufficient to pay in full all amounts to which such holder is entitled pursuant to the immediately preceding section, no such distribution shall be made on account of any shares of any other class or series of capital stock of the Company ranking on a parity with or junior to the shares of the Preferred Stock, except that a proportionate distributive amount shall be paid on account of the shares of the Preferred Stock and any other class of shares ranking pari passu with the Preferred Stock, ratably, in proportion to the full distribution, liquidation or winding up.

G. Status of Converted Shares.

Any shares of the Preferred Stock that shall have been converted shall after such conversion have the status of authorized but unissued shares of Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors.

H. Protective Provisions.

Subject to the rights of the Preferred Stock which may from time to time come into existence, so long as any shares of Preferred Stock are outstanding, the Company shall not without first obtaining the written consent of the holders of at least a majority of the then outstanding shares of Preferred Stock:

- (a) alter or change the rights, preferences or privileges of the shares of Preferred Stock so as to affect adversely the shares;
- (b) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Preferred Stock;
- (c) authorize or issue, or obligate itself to issue, any other equity security (including any other security convertible into or exercisable for any security) having a preference over, or being on a parity with, the shares of Preferred Stock with respect to voting, dividends or upon liquidation;
- (d) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of Preferred Stock or common stock; provided, however, that this restriction shall not apply to (i) the repurchase of shares of common stock from employees, officers, directors, consultants or other person performing services for the

Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares at cost or at cost upon the occurrence of certain events, such as the termination of employment, or (ii) the redemption of any shares(s) of Preferred Stock other than in accordance with Section D;

- (e) amend, alter or repeal of any of the provisions of the Articles of Incorporation or Bylaws of the Company, as amended to date and presently in effect, or of this resolution, so as to affect adversely the preferences , priority, rights, powers or privileges of the Preferred Stock as such, or the holders thereof as such; or

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 31 day of March, 1999.

A handwritten signature in dark ink, appearing to read 'BKG', is written over a horizontal line.

**Brian K. Goodkind, Vice
President and Secretary**