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BRASHEAR & ASSOCIATES, P.L.
C o u n s e l o r s A t L a w

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BRUCE BRASHEAR
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July 9, 1999

Secretary of State
Division of Corporations
Amendment Department
P. O. Box 6327
Tallahassee, FL 32301

FILED
99 JUL 12 PM 4:12
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RE: Applied Digital Technology, Inc.

500002929215--3
-07/12/99--01130--004
*****87.50 *****52.50

Dear Sir or Madam:

Please find the original and one (1) copy of the Articles of Amendment to the Articles of Incorporation for the above-referenced corporation, as well as our check in the amount of \$87.50 representing \$35.00 for filing fees and \$52.50 for a certified copy of same.

After filing the original Articles of Amendment, please certify the enclosed copy and return same to this office.

Sincerely

BRASHEAR & ASSOCIATES, P.L.

Kim Holloway
Kim Holloway, Legal Assistant
to Amy E. Sinelli, Esq.

Enclosures

Amend.

V. SHEPARD JUL 16 1999

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
APPLIED DIGITAL TECHNOLOGY, INC.**

FILED
99 JUL 12 PM 4: 13
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

TO: Department of State
Tallahassee, Florida 32304

Pursuant to the provisions in Section 607.1003 of the Florida Statutes, the undersigned corporation hereby adopts the following Articles of Amendment to its Articles of Incorporation pursuant to a written action of a majority of the shareholders on June 28, 1999:

1. The following amendment to the Articles of Incorporation of Applied Digital Technology, Inc. was adopted by holders of a majority of the outstanding shares of the common stock of the corporation on June 28, 1999, in the manner prescribed by the Florida General Corporation Act:

ARTICLE IV

Capital Stock. The Corporation is authorized to issue Twenty Million (20,000,000) shares of \$.001 par value Common Stock.

Series A Convertible Preferred Stock. The Corporation is authorized to issue One Million (1,000,000) shares with a par value of .001. Each share is convertible for one share of common stock at anytime but will be adjusted on a full ratchet basis for the first 18 months after the Corporation's planned initial public offering. Automatic conversion will occur upon the approval of the majority Series A shareholders or upon the closing of a firm commitment underwritten for a public offering at least \$7,000,000. These preferred shares will be entitled to vote on a one to one basis until conversion and then on an as converted basis. The preferred shares will be paid first upon liquidation.

2. The number of shares of the corporation outstanding at the time of such adoption was 2,972,285 shares common stock; and the number of shares entitled to vote thereon was 2,972,285 shares common stock.

3. The designation and number of outstanding shares of each class entitled to vote thereon as a class were as follows:

<u>Class</u>	<u>Number of Shares</u>
Common	2,972,285

4. Number of shares voted for the amendment of Article IV was 1,510,166 the number of shares voted against such amendment was 0; the number of shares abstaining was 0; and the number of shares not represented at the meeting in person or by proxy was 1,462,119.

5. The number of votes cast by a majority of the holders of common stock in favor of the amendment of Article IV was sufficient for approval by the common stock shareholders.

Dated: July 1, 1999.

APPLIED DIGITAL TECHNOLOGY, INC.

By: [Signature]
Vice President

Corporate Seal

Attest: [Signature]
Secretary

STATE OF FLORIDA
COUNTY OF ALACHUA

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared John T. Davis, holding the office of president of Applied Digital Technology, Inc., to me known to be the person described in and who executed the foregoing Articles of Amendment, and Ann L. Merideth, holding the office of secretary of Applied Digital Technology, Inc., to me known to be the person described in and who attested to the foregoing Articles of Amendment, and upon oath acknowledged before me that they executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 1st day of July, 1999.

[Signature]
Notary Public, State at Large

Printed Name: _____

My Commission Expires: _____

(SEAL)



Bruce Brashear
MY COMMISSION # CC721561 EXPIRES
March 4, 2002
BONDED THRU TROY FAIN INSURANCE, INC.