

IMA P00000021630

INVESTMENT MANAGEMENT of AMERICA, Inc.

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SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
00 JUN -6 AM 11:42

Florida Department of State  
Division of Corporations Registration Sections  
P.O. Box 6327  
Tallahassee, FL 32314

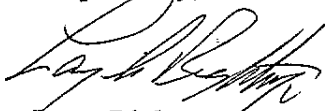
May 24, 2000

Dear Sirs;

RE:

Enclosed for filing are two amendments to the articles of incorporation of Ashes & Embers, Inc. \*\*\*\*\*  
Please file the attached, return to me certification, and acknowledgment of filing. Thank you in  
advance for prompt attention to this matter.

Respectfully,



Larry Rightmeyer

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\*\*\*\*\*87.50 \*\*\*\*\*43.75

Amend.

V. SHEPARD JUN 13 2000

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**Exhibit "A"**

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF  
ASHES ETERNAL, INC.

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Pursuant to Sections 607.1006 and 607.0602 of the Florida Business Corporation Act of the State of Florida, the undersigned President of ASHES ETERNAL, INC. (the "Corporation"), a corporation organization and existing under and by virtue of the laws of the State of Florida and bearing Document Number P00000021630, does hereby certify:

FIRST: Whereas, by virtue of the authority contained in its Articles of Incorporation, the Corporation has authority to issue five million (5,000,000) shares of \$.0001 par value per share preferred stock, the designation and amount thereof and series, together with the powers, preferences, rights, qualifications, limitations or restrictions thereof, to be determined by the Board of Directors pursuant to the applicable laws of the State of Florida.

SECOND: The Board of Directors has hereby established a series of the class of Preferred Stock authorized to be issued by the Corporation as above stated, with the designations and amounts thereof, together with the voting powers, preferences and relative, participating, optional and other special rights of the shares of each such series, and the qualifications, limitations or restrictions thereof, to be as follows:

**Series A Convertible Preferred Stock**

1. Designation and Amounts. The designation of this series, which consists of six hundred thousand (600,000) shares of Preferred Stock, is the Series A Convertible Preferred Stock (the "Series A Preferred Stock") and the stated value shall be \$0.75 per share (the "Stated Value").

2. Dividends. No dividend or other distribution shall be made to the holders of Common Stock ("Common Stock"), of the Corporation until such time as dividends or other distributions equal to dividends proposed to be paid on the Common Stock shall have been paid to, or funds necessary for such payment shall have been set aside by the Corporation in trust to be available for such payment to, the holders of all Preferred Stock series, unless designated otherwise. All series of Preferred Stock shall share equally the amount of dividends based on the number of shares.

3. Liquidation Rights. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any distribution may be made with respect to the Common Stock, holders of each share of all Preferred Stock shall be entitled to be paid out of the assets of the Corporation available for distribution to holders

of the Corporation's capital stock of all classes, whether such assets are capital, surplus, or capital earnings, an amount equal to the holder's pro rata share of Preferred Stock investment. Holders of all Preferred Stock shall share equally based on the amount of investment (the "Liquidation Amount"), unless designated otherwise. All Preferred Stock series shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the any series of Preferred Stock.

If the assets of the Corporation available for distribution to its shareholders shall be insufficient to pay the holders of Preferred Stock the full amount of the Liquidation Amount to which they shall be entitled, such Preferred Stock holders shall share equally based on the amount of their investment.

After the payment of the Liquidation Amount shall have been made in full to the holders of Preferred Stock or funds necessary for such payment shall have been set aside by the Corporation in trust for the account of holders of Preferred Stock so as to be available for such payments. The holders of the Preferred Stock shall be entitled to no further participation in the distribution of the assets of the Corporation, and the remaining assets of the Corporation legally available for distribution to its shareholders shall be distributed among the holders of other classes of securities of the Corporation in accordance with their respective terms.

The Liquidation Amount shall in all events be paid in cash. Whenever a distribution provided for in this Section 3 is payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Corporation's Board of Directors.

4. Voting Rights. Holders of Series A Preferred Stock shall have no voting rights, except as required by law including, but not limited to, the Florida Business Corporation Act, and as expressly provided in these Articles of Amendment.

5. Conversion Rights. The holders of the Series A Preferred Stock shall have the following rights with respect to the conversion of the Series A Preferred Stock into shares of Common Stock:

A. General. Subject to and in compliance with the provisions of this Section 5, any share of the Series A Preferred Stock may, at the option of the holder, be converted at any time into fully paid and non-assessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series A Preferred Stock shall be initially entitled to receive upon conversion shall be equal to one share of Common Stock for each share of Series A Preferred Stock (the "Conversion Ratio"). From time to time the Conversion Ratio may be adjusted as provided herein and the number of shares of Common Stock to which a holder of Series A Preferred Stock shall be entitled to receive

shall also be adjusted by multiplying the adjusted Conversion Ratio by the number of shares of Series A Preferred Stock held by such holder prior to the event which gave rise to the adjustment of the Conversion Ratio.

B. Automatic Conversion. The foregoing notwithstanding, each outstanding share of Series A Preferred Stock will convert automatically into one share of Common Stock at such time as a registration statement is filed with the Securities and Exchange Commission (the "SEC") registering for sale under the Securities Act of 1933, as amended ("the Securities Act"), (i) the shares of the Corporation's Common Stock issuable upon such conversion of the Series A Preferred Stock ("Conversion Stock"); or (ii) the shares of the Corporation's Common Stock for an initial public offering for the Corporation.

C. Adjustments to Applicable Conversion Ratio. In the event the Corporation shall (i) make or issue a dividend or other distribution payable in Common Stock; (ii) subdivide outstanding shares of Common Stock into a larger number of shares; or (iii) combine outstanding shares of Common Stock into a smaller number of shares, the Conversion Ratio shall be adjusted by multiplying the existing Conversion Ratio by a fraction:

(x) the numerator of which shall be the number of shares of Common Stock outstanding immediately after the issuance of such additional shares of Common Stock; and

(y) the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock.

D. Capital Reorganization or Reclassification. If the Common Stock issuable upon the conversion of the Series A Preferred Stock shall be changed into the same or different number of shares of any class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 5). In each such event, the holder of each share of Series A 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 capital reorganization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Series A Preferred Stock might have been converted immediately prior to such capital reorganization, reclassification or other change.

E. Certificate as to Adjustments; Notice by Corporation. In each case of an adjustment or readjustment of the Conversion Ratio, the Corporation at its expense will furnish each holder of Series A Preferred Stock with a certificate, executed by the president and chief financial officer (or in the absence of a person designated as the chief financial

officer, by the treasurer) showing such adjustment or readjustment, and stating in detail the facts upon which such adjustment or readjustment is based.

F. Exercise of Conversion Privilege. To exercise its conversion privilege, a holder of Series A 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 Preferred Stock surrendered 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 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 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 Preferred Stock in accordance with the provision of this Section 5, and cash, as provided in Section 5(G), 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 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. The Corporation shall pay any taxes payable with respect to the issuance of Common Stock upon conversion of the Series A Preferred Stock, other than any taxes payable with respect to income by the holders thereof.

G. Cash in Lieu of Fractional Shares. The Corporation may, if it so elects, issue fractional shares of Common Stock or scrip representing fractional shares upon the conversion of shares of Series A Preferred Stock. If the Corporation does not elect to issue fractional shares, the Corporation shall pay to the holder of the shares of Series A 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 Preferred Stock being converted at any one time by any holder thereof, not upon each share of Series A Preferred Stock being converted.

H. Partial Conversion. In the event some but not all of the shares of Series A 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 Preferred which were not converted.

I. 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 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 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 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. Consolidation, Merger, Exchange, etc. In case the Corporation shall enter into any consolidation, merger, combination, statutory share exchange or other transaction in which in excess of 50% of the issued Common Shares are exchanged for or changed into other stock or securities, money and/or any other property, then in any such case the Series A Preferred Stock shall at the same time be similarly exchanged or changed into preferred shares of the surviving entity providing the holders of such preferred shares with (to the extent possible) the same relative rights and preferences as the Series A Preferred Stock or, at the option of the Series A Preferred Stock shareholder, each share of Series A Preferred shall be converted into shares of Common Stock, on a one-for-one basis, at the then effective Conversion Price of \$1.125 per share.

7. Reissuance of Certificates. No share or shares of Series A Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares, which the Corporation shall be authorized to issue. The Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of the Series A Preferred Stock accordingly.

8. Designations of Additional Series. The Board of Directors of the Corporation shall have the right to designate other shares of Preferred Stock having dividend, liquidation, or other preferences equal to, subsequent to or prior to the rights of holders of the Series A Preferred Stock. Such preferences shall be determined in the resolutions creating such subsequent series.

9. Notices of Record Date. In the event of:

A. any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right;

B. any capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any merger of the Corporation: or any transfer of all or substantially all of the assets of the Corporation to any other corporation, or any other entity or person; or

C. any voluntary or involuntary dissolution, liquidation or winding up of the Corporation;

then and in each such event the Corporation shall mail or cause to be mailed to each holder of Series A Preferred Stock a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and description of such dividend, distribution or right; (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up is expected to become effective; and (iii) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up. Such notice shall be mailed at least ten (10) business days prior to the date specified in such notice on which such action is to be taken.

10. Vote to Change the Terms of Series A Preferred Stock. The affirmative vote at a meeting duly called for such purpose or the written consent without a meeting, of the holders of not less than fifty percent (50%) of the then outstanding Series A Preferred Stock, shall be required for any change to these Articles of Amendment or the Corporation's Articles of Incorporation which would amend, alter, change or repeal any of the powers, designations, preferences and rights of the Series A Preferred Stock.

11. Lost or Stolen Certificates. Upon receipt by the Corporation of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of any Series A Preferred Stock Certificates, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Corporation and, in the case of mutilation, upon surrender and cancellation of the Series A Preferred Stock Certificate(s), the Corporation shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Corporation shall not be obligated to re-issue preferred stock certificates if the holder contemporaneously requests the Corporation to convert such Series A Preferred Stock into Common Stock in which case such Series A Preferred Stock



shall be converted pursuant to the terms of the Articles of Amendment and a preferred stock certificate shall only be issued if required pursuant to the terms hereof.

12. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in these Articles of Amendment shall be cumulative and in addition to all other remedies available under these Articles of Amendment, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Corporation to comply with the terms of these Articles of Amendment. The Corporation covenants to each holder of Series A Preferred Stock that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Corporation (or the performance thereof).

13. Specific Shall Not Limit General; Construction. No specific provision contained in these Articles of Amendment shall limit or modify any more general provision contained herein. These Articles of Amendment shall be deemed to be jointly drafted by the Corporation and all Buyers and shall not be construed against any person as the drafter hereof.

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of Series A Preferred Stock in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

The foregoing Amendment was adopted by the Board of Directors of the Corporation acting by written consent dated May 9, 2000 pursuant to Sections 607.0821 and 607.0602 of the Florida Business Corporation Act. Therefore, the number of votes cast for the Amendment to the Corporation's Articles of Incorporation was sufficient for approval.

IN WITNESS WHEREOF, the Corporation has caused this Amendment to be executed by its duly authorized officer.

Signed, this 9 day of May 2000.

  
Robert Tominelli, President

**WRITTEN CONSENT  
OF THE BOARD OF DIRECTORS OF  
ASHES ETERNAL, INC.**

The undersigned being all of the Directors of ASHES ETERNAL, INC., a Florida corporation (the "Company"), hereby adopt the following resolutions pursuant to Sections 607.0602 and 607.0821 of the Florida Business Corporation Act

WHEREAS, the Articles of Incorporation of the Corporation provides for the issuance of 5,000,000 shares of Preferred Stock, \$.0001 par value per share, issuable from time to time; and

WHEREAS, the Board of Directors of this Corporation is authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any wholly unissued Preferred Stock to fix the number of shares constituting any such class and to determine the designation thereof or any of the shares.

BE IT RESOLVED, that the Board of Directors hereby fixes and determines the designation of the number of shares constituting, and the rights, preferences, privileges and restrictions relating to, the **Series A Convertible Preferred Stock** ("the Series A Preferred Stock") substantially in the form of the Articles of Amendment to the Articles of Incorporation ( the "Amendment") attached hereto as Exhibit "A"; and

BE IT RESOLVED, that the shares of Common stock of the Corporation, par value \$.0001 per share ("Common Stock") issuable upon conversion of the Series A Preferred Stock ("Conversion Shares") are hereby authorized for issuance on such conversion, and when issued in accordance with the terms of the Amendment attached hereto as Exhibit "A", the Conversion Shares will be validly issued, fully paid, and nonassessable; and

BE IT RESOLVED, that the number of Conversion Shares as would be issuable upon the conversion of the Series A Preferred Stock in accordance with the terms of the Amendment attached hereto as Exhibit "A", are hereby reserved for issuance upon conversion; and

BE IT FURTHER RESOLVED, that in order to fully carry out the intent and effectuate the purposes of the foregoing resolution, the proper officers of the Corporation are hereby authorized and directed to take all such further action, to execute and deliver the Articles of Amendment to the Articles of Incorporation to be filed with the Secretary of State of Florida and all such further instruments and documents relating thereto in the name and on behalf of the Corporation, under its corporate seal or otherwise, and to pay all such fees and expenses, which shall, in their judgment, be necessary, proper or advisable.

The undersigned hereby execute this Written Consent, deemed effective as of May 9, 2000.

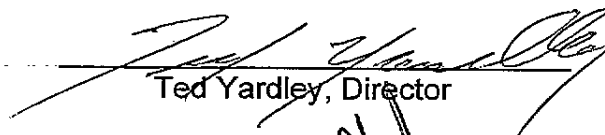
Dated: May 9, 2000

  
Gerald C. Parker, Director

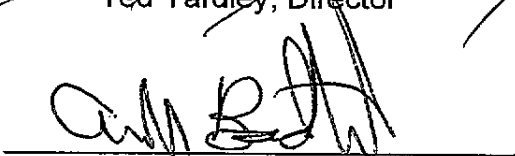
Dated: May 9, 2000

  
Robert Tominelli, Director

Dated: May 9, 2000

  
Ted Yardley, Director

Dated: May 9, 2000

  
Andrew M. Badolato, Director