

P0000005427L

CAPITAL CONNECTION, INC.

417 E. Virginia Street, Suite 1 • Tallahassee, Florida 32301
(850) 224-8870 • 1-800-342-8062 • Fax (850) 222-1222

70.00 filing
17.50 CC

Kerroy Communications Corp.
eHomeOne.Com, Inc

Articles of Share
Exchange

- ___ Art of Inc. File
- ___ LTD Partnership File
- ___ Foreign Corp. File
- ___ L.C. File 300004036463--7
-04/20/01--01084--007
- ___ Fictitious Name File *****87.50 *****87.50
- ___ Trade/Service Mark
- ___ Merger File
- ☒ Change Art. of Amend. File X-2
- ___ RA Resignation
- ___ Dissolution / Withdrawal
- ___ Annual Report / Reinstatement
- ☒ Cert. Copy X-2
- ___ Photo Copy
- ___ Certificate of Good Standing
- ___ Certificate of Status
- ___ Certificate of Fictitious Name
- ___ Corp Record Search
- ___ Officer Search
- ___ Fictitious Search
- ___ Fictitious Owner Search
- ___ Vehicle Search
- ___ Driving Record
- ___ UCC 1 or 3 File FOR
- ___ UCC 11 Search 4/20/01
- ___ UCC 11 Retrieval
- ___ Courier

FILED
01 APR 20 PM 2:24
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RECEIVED
01 APR 20 AM 11:33
DIVISION OF REGISTRATION

Signature _____

Requested by: CO 4-20-01 11:00
Name _____ Date _____ Time _____

Walk-In _____ Will Pick Up _____

ARTICLES OF SHARE EXCHANGE

of

Kenroy Communications Corp.

and

eHomeOne.com, Inc.

FILED
01 APR 20 PM 2:24
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

We, Robert Blair, the President of eHomeOne.com, Inc., and Keith Collins, the Vice-President of eHomeOne.com, Inc.; and Ken Royceton, the sole officer of Kenroy Communications Corp. hereby certify:

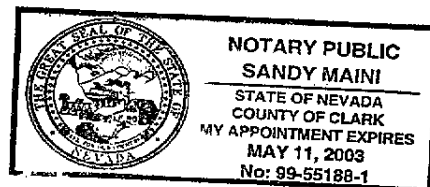
1. A Share Exchange Agreement was adopted by the Boards of Directors of both of the constituent corporations in meetings held on March 1, 2001. A copy of this executed Share Exchange Agreement, which contains the plan of share exchange, is on file at Kenroy Communications Corp.'s resident office in Nevada.
2. The constituent entities are eHomeOne.com, Inc., a Florida corporation, and Kenroy Communications Corp., a Nevada corporation. Kenroy Communications Corp. shall be the surviving company, with eHomeOne.com, Inc. being the acquired company.
3. Each shareholder of eHomeOne.com, Inc. shall receive the aggregate of the par value of \$0.001 per share for each share of eHomeOne.com, Inc. common stock that he or she holds.
4. Approval of the shareholders of Kenroy Communications Corp. was not required pursuant to NRS 92A.120.
5. The Share Exchange Agreement was submitted to the shareholders of eHomeOne.com, Inc. by its Board of Directors. There were a total of 2,750 shares of common stock eligible to be voted, of which 2,750 shares consented to the action taken by the Board of Directors pursuant to §607.0704 F.S. The Share Exchange Agreement was approved by a majority vote of the shareholders of eHomeOne.com, Inc. on March 1, 2001.
6. Kenroy Communications Corp., the acquiring company, shall change its name to eHomeOne.com, Inc.
7. The effective date of the Share Exchange Agreement shall be upon the date of filing this Articles of Share Exchange.

For Kenroy Communications Corp.

Ken Royceton
Ken Royceton, President/Secretary/Treasurer

State of Nevada)
)ss.

County of Clark)



On April 19, 2001, personally appeared before me, a Notary public, Ken Royceton, who acknowledged that he is the President and Secretary of Kenroy Communications Corp. and that he executed the above instrument in that capacity.

Sandy Maini
A Notary Public in and for said County and State.

For eHomeOne.com, Inc.

Robert Blair

Robert Blair, President

FOL # B 460-761-64-384-0

State of Florida)

)SS.  Joel K Vinson
My Commission CC949827
Expires June 27 2004

County of Orange)

On 4/17, 2001, personally appeared before me, a Notary public, Robert Blair who acknowledged that he is the President of eHomeOne.com, Inc. and that he executed the above instrument in that capacity.

Joel K Vinson
A Notary Public in and for said County and State.

Keith Collins

Keith Collins, Vice-President

FID # C 452-516-58-100-0

State of Florida)

)SS.  Joel K Vinson
My Commission CC949827
Expires June 27 2004

County of Orange)

On 4/17, 2001, personally appeared before me, a Notary public, Keith Collins who acknowledged that he is the Vice-President of eHomeOne.com, Inc. and that he executed the above instrument in that capacity.

Joel K Vinson
A Notary Public in and for said County and State.

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT (the "Agreement"), is entered into and effective as of March 1st, 2001, by and between Robert Blair, as the authorized representative of the shareholders of EhomeOne.com, Inc., who are parties to this Agreement and whose names are set forth in the attached Schedule "A", (collectively the "SHAREHOLDERS"), EhomeOne.com, Inc., a Florida corporation (E.H.1.), J.A. Davies, as Escrow Agent, and KenRoy Communications Corp. Inc., a Nevada corporation. ("the Company").

1. RECITALS

This Agreement is entered into with reference to and in contemplation of the following facts, circumstances and representations:

- 1.1. The SHAREHOLDERS are the owners of all of the ownership or membership interests in E.H.1. (the "E.H. 1 Shares").
- 1.2. The Company desires to issue a total of 10,000,000 shares of its common stock (the Shares") to the SHAREHOLDERS in exchange for the E.H.1 Shares.
- 1.3. The SHAREHOLDERS desire to exchange the E.H.1 Shares for the Shares in accordance with the terms and conditions of the Agreement.
- 1.4. E.H.1 desires that this transaction be consummated.

2. EXCHANGE AND ISSUANCE OF SHARES

- 2.1. **Exchange of the Shares:** The Company shall exchange and deliver to the SHAREHOLDERS, a total of 10,000,000 restricted shares of the Company common stock in accordance with the allocation set forth in the attached Schedule "A".
- 2.2. **Exchange of E.H.1 Shares:** At the closing, the SHAREHOLDERS shall exchange and deliver to the Company the 2,750 E.H.1 Shares which represent all of the ownership interests in E.H.1.
- 2.3. **Nature of the Shares:** The SHAREHOLDERS shall be issued the Company Shares, which unless otherwise contractually restricted, shall be subject to a one (1) year holding period before the Company Shares are eligible for sale in the U.S. public market. The sale of the Company Shares will be further limited by the resale provisions of SEC Rule 144.
- 2.4. **Restricted Nature of the Company Shares:** Notwithstanding the one (1) year holding period for the Company Shares, a SHAREHOLDER who becomes an "affiliate" or "control person" of the Company will be subject to certain limitations with respect to the sale of the Company Shares. Accordingly, as a result of such a designation, the sale of the Company Shares will be limited by SEC Rule 144.

- 2.5. **Private Sale Acknowledgment:** The parties acknowledge and agree that the exchange and issuance of the Company Shares is being undertaken as a private sale pursuant to Section 4(2) of the Securities Act of 1933, as amended, and is not being transacted via a broker-dealer and/or in the public market place.
- 2.6. **Status of Present Share ownership and Contemplated Share Issuance by the Company:** The parties hereto acknowledge and agree that the Company will issue 10,220,000 Company Shares. Accordingly, and upon the Closing of the share exchange contemplated by this Agreement, the following will be resulting share ownership of the Company:

Name	No Shares	%Ownership
Original Company Shareholders	220,000	2.156%
E.H.1 Shareholders	10,000,000	97.844%
Totals	10,220,000	100%

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The COMPANY represents and warrants to the SHAREHOLDERS and E.H.1. as follows:

- 3.1. **Organization:** The Company is a corporation duly incorporated and validly existing under the laws of the State of Nevada and is in good standing with respect to all of its regulatory filings.
- 3.2. **Capitalization:** The authorized capital of the Company consists of 20,000,000 common shares with a no par value with the exception of the common shares described in Paragraph 2.6. No other common shares will have been validly authorized and issued by the COMPANY prior to the Closing of the contemplated share exchange.
- 3.3. **Financial Statements:** The Company has furnished to the SHAREHOLDERS and E.H.1. unaudited financial statements for the period ending December 31, 2000. Moreover, at the Closing the financial affairs of the Company will be materially the same as represented in the financial statements for the period ending December 31, 2000.
- 3.4. **Books and Records:** All material transactions of the Company have been promptly and properly recorded or filed in or with its books and records and the Minute Book of the Company contains records of all meetings and proceedings of the shareholders and directors thereof.
- 3.5. **Legal Compliance:** To the best of its knowledge, the Company is not in breach of any laws, ordinances, statutes, regulations, by-laws, orders or decrees to which the Company is subject or which apply to it or any of its assets.
- 3.6. **Tax Returns:** All tax returns and reports of the Company required by law to be filled prior to the date hereof have been filed and are substantially true, complete and correct and all taxes and governmental charges have been paid.

- 3.7 **Adverse Financial Events:** The Company has not experienced nor is it aware of any occurrence or event, which has had or might reasonably be expected to have a material adverse effect on its financial condition.
- 3.8 **Disputes, Claims and Investigations:** There are no disputes, claims, actions, suits, judgments, investigations or proceedings outstanding or pending or to the knowledge of the Company threatened against or affecting the Company at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau or agency.
- 3.9 **Employee Liabilities:** The Company has no known liability to former employees or any liability to any governmental authorities with respect to current or former employees.
- 3.10. **Conflicts or Agreement Violations:** The execution, delivery and performance of this Agreement will not conflict with or be in violation of the articles or by-laws of the Company or of any agreement to which the Company is party and will not give any person or company a right to terminate or cancel any agreement or right enjoyed by the Company and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favor of a third party upon or against the assets of the Company.
- 3.11. **Validly Issued and Authorized the Company Shares:** The Shares will be validly authorized and issued by the Company, they will be fully paid and non-assessable, and they will be issued in full compliance with all federal and state securities laws.
- 3.12. **Restrictive Legend:** That the Company Shares will have a restrictive legend imposed thereon identifying them as "Restricted Shares" which are subject to the conditions and limitations of SEC Rule 144 with respect to their sale in the U.S. public market place.
- 3.13. **Validly Issued and Authorized Outstanding Shares of The Company:** That all of the issued and outstanding common shares of the Company are validly issued, authorized and issued, fully paid, and non-assessable, and that the outstanding shares have been so issued in full compliance with all federal and state securities laws.
- 3.14. **Corporate Authority:** The officers or representatives of the Company executing this Agreement represent that they have been authorized to execute this Agreement pursuant to a resolution of the Board of Directors of the Company.

4. REPRESENTATIONS OF SHAREHOLDERS AND E.H.1.

The Shareholders and E.H.1 collectively and individually hereby represent and warrant to the Company as follows:

- 4.1 **Share Ownership:** The SHAREHOLDERS are the owners, beneficially and of record, of 2,750 E.H.1 Shares and said shares are free and clear of all liens, encumbrances, claims, charges and restrictions, except those persons listed in

Schedule A, who are former investors of Robert Blair, and whose shares shall be allocated and issued from Blair's respective shares.

- 4.2 **Transferability of E.H.1 Shares:** The SHAREHOLDERS have full power to transfer the E.H.1 Shares to the Company without obtaining the consent or approval of any other person or governmental authority.
- 4.3 **Validly Issued and Authorized Shares:** The E.H.1 Shares are validly authorized and issued, fully paid, and nonassessable, and the E.H.1 Shares have been so issued in full compliance with all securities laws of the State of Florida.
- 4.4 **Organization:** E.H.1 is a corporation duly incorporated and validly existing under the laws of the State of Florida and is in good standing with respect to all of its regulatory filings.
- 4.5 **Capitalization:** The E.H.1 Shares represent one hundred percent (100%) of the ownership or membership interest in E.H.1 and that such interest were validly issued and are fully paid on non-assessable interest.
- 4.6 **Financial Statements:** E.H.1 will furnished to the Company audited financial statements for the period ending December 31, 2000. At the closing the financial affairs of E.H.1 will be materially the same as represented in these same financial statements.
- 4.7 **Books and Records:** All material transactions of E.H.1 have been promptly and properly recorded or filed in or with its books and records, and the Minute Book of E.H.1 contains records of all meetings and proceedings of the members and directors thereof.
- 4.8 **Legal Compliance:** E.H.1 is not in breach of any laws, ordinances, statutes, regulations, by-laws, orders or decrees to which E.H.1 is subject or which apply to it or any of its assets.
- 4.9 **Tax Returns:** All tax returns and reports of E.H.1 required by law to be filed prior to the date hereof have been filed and are true, complete and correct and all taxes and governmental charges have been paid.
- 4.10. **Adverse Financial Events:** E.H.1. has not experienced nor is it aware of any occurrence or event which had or might reasonably be expected to have a material adverse effect on its financial condition.
- 4.11. **Disputes, Claims and Investigations:** There are no disputes, claims, actions, suits, judgments, investigations or proceedings outstanding or pending or to the knowledge of E.H.1 threatened against or affecting E.H.1 at law or in equity or before or by any federal, municipal or other governmental department, commission, board, bureau or agency.
- 4.12. **Employee Liabilities:** E.H.1 has no liability to former employees or any liability to any government authorities with respect to current or former employees.
- 4.13. **No Conflicts or Agreement Violations:** The execution, delivery and performance of this Agreement will not conflict with or be in violation of the Articles of Incorporation of E.H.1 or of any agreement to which E.H.1 is a party and will not give any person or company a right to terminate or cancel any agreement or right enjoyed by E.H.1 and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in

favor of a third party upon or against the assets of E.H.1.

- 4.15. **No Liens**: That E.H.1 has not received a notice of any assignment, lien, encumbrance, claim or charge against the E.H.1 shares.
- 4.16. **Corporate Authority**: The officers or representatives of E.H.1 executing this agreement represent that they have been authorized to execute this Agreement pursuant to a resolution of the Board of Directors of E.H.1

5. REPRESENTATIONS AND WARRANTIES OF SHAREHOLDERS ALONE

The SHAREHOLDERS alone further represent and warrant to the Company as follows with respect to the Company Shares:

- 5.1 **Financially Responsible**: That they are financially responsible, able to meet their obligations and acknowledge that this investment will be speculative.
- 5.2 **Investment Experience**: That they have had experience in the business of investments in one or more of the following: (i) investment experience with securities such as stocks and bonds; (ii) ownership of interest in partnerships, new ventures and start-up companies; (iii) experience in business and financial dealings; and that they can protect their own interest in an investment of this nature and they do not have an "Investor Representative", as that term is defined in Regulation D of the Securities Act of 1933 and do not need such an Investor Representative.
- 5.3 **Investment Risk**: That they are capable of bearing the high degree of economic risks and burdens of this investment, including but not limited to the possibility of complete loss of all their investment capital and the lack of a liquid market, such that they may not be able to liquidate readily the investment whenever desired or at the then current asking price.
- 5.4 **Access to Information**: That they have had access to the information regarding the financial condition of the Company and they were able to request copies of such information, ask questions of and receive answers from the Company regarding such information and any other information he desires concerning the Company shares, and all such questions have been answered to his full satisfaction.
- 5.5 **Private Transaction**: That at no time were they presented with or solicited by any leaflet, public promotional meeting, circular, newspaper or magazine article, radio or television advertisement or any other form of general advertising
- 5.6 **Investment Intent**: The Company Shares are not being purchased with a view to or for the resale or distribution thereof and they have no present plans to enter into any contract, undertaking, agreement or arrangement for such resale or distribution.
- 5.7 **Due Diligence**: That the SHAREHOLDERS shall have completed a due diligence review of the affairs of the Company and are satisfied with the results.

6 CLOSING, ESCROW HOLDER AND CONDITIONS TO CLOSING

6.1 **Exchange Closing**: The closing of the share exchange as contemplated by this Agreement (the "Closing") shall take place in Los Angeles, California, at such time and place as may be agreed among by the parties, but in no event later than March 31 2001, unless otherwise extended in writing by the parties.

6.2 **Closing**: Prior to the Closing the following will be required:

1. **Delivery of E.H.1 Shares**: The SHAREHOLDERS shall deliver to E.H.1. the Escrow Holder the certificate or certificates representing the 2,750 shares registered in the name of the SHAREHOLDERS duly endorsed for transfer accompanied by duly executed assignments of the E.H.1 Shares to the Company.
2. **Delivery of the Company Shares**: The Company shall deliver to the Escrow Holder a total of 10,220,000 of the Company Shares registered in the names of the SHAREHOLDERS as set forth in Schedule "A."
3. **Delivery of Certificates of Good Standing**: Each party shall deliver to the Escrow Holder a current Certificate of Good Standing issued respectively by the Florida Secretary of State and California Secretary of State.
4. **Requisite Corporate Resolutions**: Each party shall deliver to the Escrow Holder certified copies of resolutions for their respective Boards of Directors authorizing the subject transaction.
5. **Satisfactory Completion of Due Diligence**: Each party shall deliver to the Escrow holder written notice that is has completed its due diligence investigation and is satisfied with the results of such investigation.
6. **Documents**: Both parties shall deliver to the Escrow Holder such other documents as are required by the terms and conditions of the Agreement.
7. **Appointment of Directors**: The Company shall deliver to the Escrow Holder certified resolutions of the The Company Board of Directors for the following actions (1) the appointment of Bobby Blair as the President of the Company; and (2) the appointment of Keith Collins as Secretary of the Company.
8. **Close of Transaction**: The subject transaction shall 'close' upon the satisfaction of the above conditions.
9. **Notices**: All notices given pursuant to the Agreement must be in writing and may be given by (1) personal delivery, or (2) registered or certified mail, return receipt requested, or (3) via facsimile transmission to the Escrow Holder and the parties as set forth below. Any party hereto may by notice so given change its address for any future notices:

ESCROW HOLDER

J.A. DAVIES
Suite 151
9114 Adams Avenue
Huntington Beach CA 92646

SHAREHOLDERS
AND E.H.1.

ROBERT BLAIR
255 South Orange, Suite 600
Orlando FL 32801

The Company

255 South Orange, Suite 600
Orlando FL 32801

**7 COOPERATION, ARBITRATION, INTERPRETATION, MODIFICATION
AND ATTORNEY FEES**

- 7.1 **Cooperation of parties:** The parties further agree that they will do all things necessary to accomplish and facilitate the purpose of this Agreement and that they will sign and execute any and all documents necessary to bring about and perfect the purposes of this Agreement.
- 7.2 **Arbitration:** The parties hereby submit all controversies, claims and matters of difference arising out of this Agreement to arbitration in Los Angeles, California according to the rules and practices of the American Arbitration Association from time to time in force. The submission and agreement to arbitrate shall be specifically enforceable. The Agreement shall, further be governed by the laws of the State of California.
- 7.3 **Interpretation of Agreement:** The Parties agree that should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing such provisions or any part of or the entire Agreement in favor of or against any party herein, but rather by construing the terms of the Agreement fairly and reasonably in accordance with their generally accepted meaning.
- 7.4 **Modification of Agreement:** This Agreement may be amended or modified in any way at any time by an instrument in writing stating the manner in which it is amended or modified and signed by each of the parties hereto. Any such writing amending or modifying this Agreement shall be attached to and kept with this Agreement.
- 7.5 **Attorney Fees:** If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of the Agreement, the successful or prevailing party shall be entitled to recover

reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

7.6 **Entire Agreement:** This Agreement constitutes the entire Agreement and understanding of the parties hereto with respect to the matters herein set forth, and all prior negotiations, writings and understandings relating to the subject matter of this Agreement are merged herein and are superseded and canceled by this Agreement.

7.7 **Counterparts:** This Agreement may be signed in one or more counterparts.

7.8 **Facsimile Transmission Signatures:** A signature received pursuant to a facsimile transmission shall be sufficient to bind a party to this Agreement.

SHAREHOLDERS OF
EHOMEONE.COM, INC.

Dated: 3/7/01

By: Robert Blair
ROBERT BLAIR
Their Authorized Representative

Dated: 3/7/01

EHOMEONE.COM, INC.

Robert Blair
By: ROBERT BLAIR
Title: PRESIDENT

Dated: 3.7.01

KENROY COMMUNICATIONS CORP. INC.

Ken Royce
By: _____
Title: PRESIDENT

Dated: 12 MARCH 01

ESCROW AGENT

L.A. DAVIES

**CERTIFICATE OF DULY APPOINTED AUTHORIZED REPRESENTATIVE FO THE
SHAREHOLDERS OF EHOMEONE.COM, INC.**

I, Robert Blair, the Authorized Representative for the Shareholders of eHomeOne.com, Inc., a corporation duly organized and existing under the laws of the State of Florida,

DO HEREBY CERTIFY:

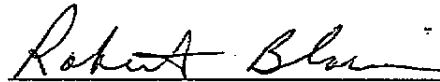
That I am the duly appointed Authorized Representative for the Shareholders of the Corporation.

That on March 1, 2001, Kenroy Communications, Inc., the surviving company, entered into an Share Exchange Agreement with eHomeOne.com, Inc., the acquired company.

That on March 1, 2001, the shares owned by the shareholders of eHomeOne.com, Inc. were acquired by Kenroy Communications, Inc. pursuant to the terms of the Share Exchange Agreement.

That, as the Authorized Representative for the Shareholders of the Corporation, the shareholders are aware of their rights as shareholders to dissent and the procedures for exercise of dissenters' rights pursuant to § 607.1301, 607.1302, and 607.1320 F.S.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of March, 2001.



Robert Blair,
Authorized Representative for
the Shareholders of eHomeOne.com, Inc.

Title XXXVI
BUSINESS ORGANIZATIONS

Chapter 607
Corporations

[View Entire Chapter](#)

607.1301 Dissenters' rights; definitions.--The following definitions apply to ss. 607.1302 and 607.1320:

- (1) "Corporation" means the issuer of the shares held by a dissenting shareholder before the corporate action or the surviving or acquiring corporation by merger or share exchange of that issuer.
- (2) "Fair value," with respect to a dissenter's shares, means the value of the shares as of the close of business on the day prior to the shareholders' authorization date, excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable.
- (3) "Shareholders' authorization date" means the date on which the shareholders' vote authorizing the proposed action was taken, the date on which the corporation received written consents without a meeting from the requisite number of shareholders in order to authorize the action, or, in the case of a merger pursuant to s. 607.1104, the day prior to the date on which a copy of the plan of merger was mailed to each shareholder of record of the subsidiary corporation.

History.--s. 118, ch. 89-154.

Title XXXVI
BUSINESS ORGANIZATIONS

Chapter 607
Corporations

[View Entire Chapter](#)

607.1302 Right of shareholders to dissent.--

(1) Any shareholder of a corporation has the right to dissent from, and obtain payment of the fair value of his or her shares in the event of, any of the following corporate actions:

(a) Consummation of a plan of merger to which the corporation is a party:

1. If the shareholder is entitled to vote on the merger, or

2. If the corporation is a subsidiary that is merged with its parent under s. 607.1104, and the shareholders would have been entitled to vote on action taken, except for the applicability of s. 607.1104;

(b) Consummation of a sale or exchange of all, or substantially all, of the property of the corporation, other than in the usual and regular course of business, if the shareholder is entitled to vote on the sale or exchange pursuant to s. 607.1202, including a sale in dissolution but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within 1 year after the date of sale;

(c) As provided in s. 607.0902(11), the approval of a control-share acquisition;

(d) Consummation of a plan of share exchange to which the corporation is a party as the corporation the shares of which will be acquired, if the shareholder is entitled to vote on the plan;

(e) Any amendment of the articles of incorporation if the shareholder is entitled to vote on the amendment and if such amendment would adversely affect such shareholder by:

1. Altering or abolishing any preemptive rights attached to any of his or her shares;

2. Altering or abolishing the voting rights pertaining to any of his or her shares, except as such rights may be affected by the voting rights of new shares then being authorized of any existing or new class or series of shares;

3. Effecting an exchange, cancellation, or reclassification of any of his or her shares, when such exchange, cancellation, or reclassification would alter or abolish the shareholder's voting rights or alter his or her percentage of equity in the corporation, or effecting a reduction or cancellation of accrued dividends or other arrearages in respect to such shares;

4. Reducing the stated redemption price of any of the shareholder's redeemable shares, altering or abolishing any provision relating to any sinking fund for the redemption or purchase of any of his or her shares, or making any of his or her shares subject to redemption when they are not otherwise redeemable;

5. Making noncumulative, in whole or in part, dividends of any of the shareholder's preferred shares which had theretofore been cumulative;

6. Reducing the stated dividend preference of any of the shareholder's preferred shares; or

7. Reducing any stated preferential amount payable on any of the shareholder's preferred shares upon voluntary or involuntary liquidation; or

(f) Any corporate action taken, to the extent the articles of incorporation provide that a voting or nonvoting shareholder is entitled to dissent and obtain payment for his or her shares.

(2) A shareholder dissenting from any amendment specified in paragraph (1)(e) has the right to dissent only as to those of his or her shares which are adversely affected by the amendment.

(3) A shareholder may dissent as to less than all the shares registered in his or her name. In that event, the shareholder's rights shall be determined as if the shares as to which he or she has dissented and his or her other shares were registered in the names of different shareholders.

(4) Unless the articles of incorporation otherwise provide, this section does not apply with respect to a plan of merger or share exchange or a proposed sale or exchange of property, to the holders of shares of any class or series which, on the record date fixed to determine the shareholders entitled to vote at the meeting of shareholders at which such action is to be acted upon or to consent to any such action without a meeting, were either registered on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or held of record by not fewer than 2,000 shareholders.

(5) A shareholder entitled to dissent and obtain payment for his or her shares under this section may not challenge the corporate action creating his or her entitlement unless the action is unlawful or fraudulent with respect to the shareholder or the corporation.

History.--s. 119, ch. 89-154; s. 5, ch. 94-327; s. 31, ch. 97-102.

Title XXXVI
BUSINESS ORGANIZATIONS

Chapter 607
Corporations

[View Entire Chapter](#)

607.1320 Procedure for exercise of dissenters' rights.--

(1)(a) If a proposed corporate action creating dissenters' rights under s. 607.1302 is submitted to a vote at a shareholders' meeting, the meeting notice shall state that shareholders are or may be entitled to assert dissenters' rights and be accompanied by a copy of ss. 607.1301, 607.1302, and 607.1320. A shareholder who wishes to assert dissenters' rights shall:

1. Deliver to the corporation before the vote is taken written notice of the shareholder's intent to demand payment for his or her shares if the proposed action is effectuated, and

2. Not vote his or her shares in favor of the proposed action. A proxy or vote against the proposed action does not constitute such a notice of intent to demand payment.

(b) If proposed corporate action creating dissenters' rights under s. 607.1302 is effectuated by written consent without a meeting, the corporation shall deliver a copy of ss. 607.1301, 607.1302, and 607.1320 to each shareholder simultaneously with any request for the shareholder's written consent or, if such a request is not made, within 10 days after the date the corporation received written consents without a meeting from the requisite number of shareholders necessary to authorize the action.

(2) Within 10 days after the shareholders' authorization date, the corporation shall give written notice of such authorization or consent or adoption of the plan of merger, as the case may be, to each shareholder who filed a notice of intent to demand payment for his or her shares pursuant to paragraph (1)(a) or, in the case of action authorized by written consent, to each shareholder, excepting any who voted for, or consented in writing to, the proposed action.

(3) Within 20 days after the giving of notice to him or her, any shareholder who elects to dissent shall file with the corporation a notice of such election, stating the shareholder's name and address, the number, classes, and series of shares as to which he or she dissents, and a demand for payment of the fair value of his or her shares. Any shareholder failing to file such election to dissent within the period set forth shall be bound by the terms of the proposed corporate action. Any shareholder filing an election to dissent shall deposit his or her certificates for certificated shares with the corporation simultaneously with the filing of the election to dissent. The corporation may restrict the transfer of uncertificated shares from the date the shareholder's election to dissent is filed with the corporation.

(4) Upon filing a notice of election to dissent, the shareholder shall thereafter be entitled only to payment as provided in this section and shall not be entitled to vote or to exercise any other rights of a shareholder. A notice of election may be withdrawn in writing by the shareholder at any time before an offer is made by the corporation, as provided in subsection (5), to pay for his or her shares. After such offer, no such notice of election may be withdrawn unless the corporation consents thereto. However, the right of such shareholder to be paid the fair value of his or her shares shall cease, and the shareholder shall be reinstated to have all his or her rights as a shareholder as of the filing of his or her notice of election, including any intervening preemptive rights and the right to payment of any intervening dividend or other distribution or, if any such rights have expired or any such dividend or distribution other than in cash has been completed, in lieu thereof, at the election of the corporation, the fair value thereof in cash as determined by the board as of the time of such expiration or completion, but without prejudice otherwise to any corporate proceedings that may have been taken in the interim, if:

(a) Such demand is withdrawn as provided in this section;

(b) The proposed corporate action is abandoned or rescinded or the shareholders revoke the authority to effect such action;

(c) No demand or petition for the determination of fair value by a court has been made or filed within the time provided in this section; or

(d) A court of competent jurisdiction determines that such shareholder is not entitled to the relief provided by this section.

(5) Within 10 days after the expiration of the period in which shareholders may file their notices of election to dissent, or within 10 days after such corporate action is effected, whichever is later (but in no case later than 90 days from the shareholders' authorization date), the corporation shall make a written offer to each dissenting shareholder who has made demand as provided in this section to pay an amount the corporation estimates to be the fair value for such shares. If the corporate action has not been consummated before the expiration of the 90-day period after the shareholders' authorization date, the offer may be made conditional upon the consummation of such action. Such notice and offer shall be accompanied by:

(a) A balance sheet of the corporation, the shares of which the dissenting shareholder holds, as of the latest available date and not more than 12 months prior to the making of such offer; and

(b) A profit and loss statement of such corporation for the 12-month period ended on the date of such balance sheet or, if the corporation was not in existence throughout such 12-month period, for the portion thereof during which it was in existence.

(6) If within 30 days after the making of such offer any shareholder accepts the same, payment for his or her shares shall be made within 90 days after the making of such offer or the consummation of the proposed action, whichever is later. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares.

(7) If the corporation fails to make such offer within the period specified therefor in subsection (5) or if it makes the offer and any dissenting shareholder or shareholders fail to accept the same within the period of 30 days thereafter, then the corporation, within 30 days after receipt of written demand from any dissenting shareholder given within 60 days after the date on which such corporate action was effected, shall, or at its election at any time within such period of 60 days may, file an action in any court of competent jurisdiction in the county in this state where the registered office of the corporation is located requesting that the fair value of such shares be determined. The court shall also determine whether each dissenting shareholder, as to whom the corporation requests the court to make such determination, is entitled to receive payment for his or her shares. If the corporation fails to institute the proceeding as herein provided, any dissenting shareholder may do so in the name of the corporation. All dissenting shareholders (whether or not residents of this state), other than shareholders who have agreed with the corporation as to the value of their shares, shall be made parties to the proceeding as an action against their shares. The corporation shall serve a copy of the initial pleading in such proceeding upon each dissenting shareholder who is a resident of this state in the manner provided by law for the service of a summons and complaint and upon each nonresident dissenting shareholder either by registered or certified mail and publication or in such other manner as is permitted by law. The jurisdiction of the court is plenary and exclusive. All shareholders who are proper parties to the proceeding are entitled to judgment against the corporation for the amount of the fair value of their shares. The court may, if it so elects, appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have such power and authority as is specified in the order of their appointment or an amendment thereof. The corporation shall pay each dissenting shareholder the amount found to be due him or her within 10 days after final determination of the proceedings. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares.

(8) The judgment may, at the discretion of the court, include a fair rate of interest, to be determined by the court.

(9) The costs and expenses of any such proceeding shall be determined by the court and shall be assessed against the corporation, but all or any part of such costs and expenses may be apportioned and assessed as the court deems equitable against any or all of the dissenting shareholders who are parties to the proceeding, to whom the corporation has made an offer to pay for the shares, if the court finds that the action of such shareholders in failing to accept such offer was arbitrary, vexatious, or not in good faith. Such expenses shall include reasonable

• compensation for, and reasonable expenses of, the appraisers, but shall exclude the fees and expenses of counsel for, and experts employed by, any party. If the fair value of the shares, as determined, materially exceeds the amount which the corporation offered to pay therefor or if no offer was made, the court in its discretion may award to any shareholder who is a party to the proceeding such sum as the court determines to be reasonable compensation to any attorney or expert employed by the shareholder in the proceeding.

(10) Shares acquired by a corporation pursuant to payment of the agreed value thereof or pursuant to payment of the judgment entered therefor, as provided in this section, may be held and disposed of by such corporation as authorized but unissued shares of the corporation, except that, in the case of a merger, they may be held and disposed of as the plan of merger otherwise provides. The shares of the surviving corporation into which the shares of such dissenting shareholders would have been converted had they assented to the merger shall have the status of authorized but unissued shares of the surviving corporation.

History.--s. 120, ch. 89-154; s. 35, ch. 93-281; s. 32, ch. 97-102.