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DIVISION OF CORPORATIONS

BASIC AMENDMENT

MARINE ENVIRONMENTAL PARTNERS, INC.

Certificate of Status	1
Certified Copy	1
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Estimated Charge	\$52.50

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

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Amend
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ARTICLES OF AMENDMENT

MARINE ENVIRONMENTAL PARTNERS, INC.
CERTIFICATE OF DESIGNATION, PREFERENCES AND
RIGHTS OF SERIES A PREFERRED STOCK
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Certificate of Designation, Preferences and Rights of Preferred Stock by Resolution of the Board of Directors providing for an issue up to 4,000,000 shares from a class of Preferred Stock, par value \$.01 per share, such shares to be designated Series A Preferred Stock (the "Certificate of Designation").

I, Charles Gallopo, President and John Willis, Assistant Secretary, of Marine Environmental Partners, Inc., a Florida corporation (the "Company"), do hereby certify:

That pursuant to authority conferred upon the Board of Directors of the Company (the "Board") by Articles of Incorporation of the Company, as amended (the "Articles of Company"), as in effect on the date thereof, the Board in an action taken as of March 11, 2004 duly adopted resolutions providing for the creation and subsequent issuance of up to 4,000,000 shares to be designated "Series A Preferred Stock" from a class of authorized Preferred Stock, which resolutions are as follows:

RESOLVED, that pursuant to the authority vested in the Board by the Articles of Company, the Board does hereby provide, for the issue of a series of Preferred Stock of the Company from the Company's class of 25,000,000 authorized shares of no par value preferred stock, to be designated "Series A Preferred Stock" (the "Series A Preferred Stock"), such issue to consist of up to 4,000,000 shares, and does hereby fix and herein state and express the voting and other rights, designations, powers, preferences and relative participation, optional or other special rights and qualifications, limitations or restrictions thereof, as follows (all terms used herein which are defined in the Articles of Company shall be deemed to have the meanings provided therein):

1. DIVIDENDS

The holders of the Series A Preferred Stock (the "Holders") shall be entitled to receive dividends as follows. Except as may be otherwise approved in writing by the holders of a majority of the outstanding shares of Series A Preferred Stock:

(a) The holders of the shares of Series A Preferred shall be entitled to receive dividends, out of any assets legally available therefore and to the extent of "Excess Earnings" (as defined below), in an equal amount per share of Series A Preferred Stock until such time as the Holders shall have received as dividends the full amount invested to purchase the shares of Series A Preferred Stock (the "Dividend Preference"). Following the point in time that the Dividend Preference has been paid, dividends shall then be declared and paid quarterly to the Holders and to holders of the Company's common stock ("Common Stock") on an as converted basis, ratably

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per share among the common stock holders and the Series A Preferred Stock Holders. Any dividends shall be declared for holders of record as of the end of any calendar quarter for which dividends are declared to be paid, and shall be declared if at all on or before the 75th day following the end of any calendar quarter for the immediately prior quarter ended.

(b) So long as any Series A Preferred shall remain outstanding, no deposit, payment, dividend or other distribution shall be paid or made on any other class of stock of the Company and no shares of any other class of stock of the Company shall be purchased or otherwise acquired by the Company or any subsidiary of the Company other than, (i) as provided hereinabove; or (ii) upon exercise of the Company's rights or a stockholder's rights under any restricted stock purchase agreement (or any similar agreement pursuant to which the Company is obligated to redeem its stock) in effect as of the date hereof (the "Original Issue Date") or otherwise pursuant to incentive stock plans of the Company in effect as of the Original Issuance Date, or as may be approved from time to time by the Company and 65% of the holders of the Series A Preferred Stock.

Subject to the above limitations, dividends may be paid on any class of stock of the Company out of any funds legally available for such purpose when and as declared by the Board of Directors, provided that if the Company has Excess Earnings for any applicable quarter, dividends equal to the amount of the Excess Earnings shall be paid within 75 days of the end of each applicable quarter as long as the Dividend Preference has not been fully paid to the Series A Preferred Stock holders. For purposes of the foregoing provisions, the term "Excess Earnings" shall mean (i) the amount of accumulated earnings before income taxes, and depreciation and amortization expense as of the end of the applicable quarter, *exceeding* (ii) \$250,000, plus a reasonable reserve for taxes due and amounts not to exceed \$250,000 as a reserve to meet the Company's cash needs for the successive Six-Month period.

2. PREFERENCE ON LIQUIDATION OR SALE OF THE COMPANY

The amount which the Holders shall be entitled to receive as a preferred payment in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company (a "Liquidating Event") shall be an amount equal to 1.5 times the total amount invested in Series A Preferred Stock (the "Liquidation Preference"), such that prior to any payments to the Common Stock upon a Liquidating Event, the Holders shall have received an amount equal to the Liquidation Preference. For example, if the assumed price for the Series A Preferred Stock is 100 Dollars per share; the amount to be distributed per share as the Liquidation Preference is 150 Dollars per share. After distributing the Liquidation Preference, the Series A Preferred Stock and the Common Stock shall participate in any additional distributions as follows.

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After distribution of the Liquidation Preference to the Holders, the Common Stock holders and Holders shall share in all remaining proceeds of a Liquidating Event on an as converted basis such that the Series A Preferred Stock shall receive 16.67 % per one million shares outstanding (.00001667 percent per share) of all additional distributions and the holders of the Common Stock the remainder. By way of example, if there are 2,000,000 shares of Series A Preferred Stock outstanding, the Series A Preferred shall as a class receive 33.34 % of all distributions above the Liquidation Preference, the common stockholders the rest.

A voluntary consolidation or merger of the Company with or into any other unaffiliated Company or Companies, or the voluntary sale of all or substantially all of the assets or business of the Company to a third-party shall not be deemed to be a liquidation, dissolution or winding up of the Company within the meaning of this Paragraph 2, but rather shall be deemed a "Sale Transaction" subject to the following terms. In the event of a Sale Transaction, the proceeds of any sale allocable to the owners of capital stock of the Company shall be distributed on an as-converted basis among the Holders and the holders of the Common Stock (16.67% per one million shares of Series A Preferred Stock outstanding, and the Common Stock the remaining amounts), provided that if such an allocation does not yield to the Holders 1.5 times the amount paid for shares of Series A Preferred Stock, the allocation percentages shall be adjusted to the extent necessary to provide to the Holders a distribution of not less than the full amount of the Liquidation Preference.

3. REDEMPTION BY THE COMPANY

The Company shall not have the right to redeem all or any part of the outstanding shares of the Series A Preferred Stock, except the Company may during the period commencing January 1, 2005 and ending June 30, 2005, with 10 business days prior written notice to enable voluntary conversion to shares of common stock prior to redemption, redeem all of the shares of Series A Preferred Stock by a cash payment equal to 2.5 times the amount of the purchase price paid in any case for the shares to be redeemed.

4. REDEMPTION BY HOLDERS

As set forth in this Section 4, Holders shall have the right to require the Company to redeem the shares of Series A Preferred Stock. In the event (i) at any time there occurs a Performance Default (as defined below), or (ii) the board of directors of the Company in good faith, at any time cannot reasonably forecast sales and earnings that will enable the Company, without the investment of additional capital or the incurrence of debt, to pay each and every of its obligations for the successive 12 month period as the same become due, or (iii) if the Company does not for any successive six month calendar period commencing January 1, 2005 through December 31, 2006 generate customer bookings (specifically a signed contract for delivery of water treatment systems at reasonable pricing to either a maritime or land based user and for which a deposit of not less than 10% shall have been paid at or within 30 days of the date of the signing of the contract) exceeding \$5,000,000, then in any of such events, upon the approval of

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70% of the shares of Series A Preferred Stock, the Series A Preferred Stock must be redeemed by the Company. In such event, the Liquidation Preference shall be the amount necessary to effect the redemption, the right to such payment to be expressly senior to the right of any other equity holder, and any holder of indebtedness of the Company who is also a member of the management team or a holder of the Company's Common Stock (deemed insiders), except if such person is also a Holder of the Series A Preferred Stock.

5. CONVERSION

The Series A Preferred Stock may be converted into shares of Common Stock of the Company as follows:

(a) **Optional Conversion.** The Holders of shares of Series A Preferred shall have the right, upon the approval of 51 % in interest of the Series A Preferred Stock *and* the approval of Eaglestone Investment Partners I, L.P. ("Eaglestone") and Tesla Capital LLC ("Tesla"), at any time or from time to time by the giving of written notice of such approval and desired conversion to the Company (the "Conversion Date") to convert all shares of Series A Preferred Stock into such number of fully paid and non-assessable shares of Common Stock as shall equal *immediately following such conversion* 16.67% of the total number of fully diluted shares of Common Stock (including by way of expression all shares underlying options or warrants, regardless of the strike or exercise price thereof) per One Million Dollars of original invested capital attributable to the purchase of Series A Preferred Stock (more specifically, .00001667 *percent* of fully diluted Common Stock per share of Series A Preferred Stock), which converted shares of Common Stock shall then be distributed among the Holders ratably per their ownership of Series A Preferred Stock, subject to adjustment as set forth below. The holder of any shares of Series A Preferred Stock converted into shares of Common Stock pursuant to this Section 5(a) shall be entitled to payment of all accrued and unpaid dividends, if any, payable with respect to such shares being converted up to and including the Conversion Date, which payment shall be made at such time as the Company has lawfully available funds therefore.

(b) **Mandatory Conversion.** Upon the consummation of a public offering of shares of Common Stock of the Company registered pursuant to the Securities Act of 1933, as amended, in which the gross proceeds to the Company exceed Ten Million Dollars (\$10,000,000) as the result of which shares of Common Stock are traded on either the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (an "Event of Conversion"), all shares of Series A Preferred then outstanding shall, by virtue of and simultaneously with the occurrence of the Event of Conversion and without any action on the part of the holder thereof, be deemed automatically converted into such whole number of fully paid and non-assessable shares of Common Stock as determined in the manner set forth in Section 5 (a) above computed as of immediately preceding the consummation of the public offering, but otherwise following the conversion such that immediately prior to such public offering the Series A Preferred Stock is converted into .00001667 percent of the Common Stock per share of Series A Preferred Stock converted. The holder of any shares of Series A Preferred converted into

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shares of Common Stock pursuant to this Section 5(b) shall be entitled to payment of all accrued but unpaid dividends, if any, payable with respect to such shares of Series A Preferred Stock up to and including the Conversion Date.

(c) Procedure for Conversion. Upon conversion of the shares of Series A Preferred Stock pursuant to Section 5(a) hereof, the holder of any shares of Series A Preferred Stock shall deliver to the Company during regular business hours, at the office of any transfer agent of the Company for the Series A Preferred Stock, or at such other place as may be designated by the Company, the certificate or certificates for the shares to be converted, duly endorsed or assigned in blank or to the Company (if required by it), accompanied by written notice stating the name or names (with address) in which the certificate or certificates for the shares of Common Stock are to be issued. As promptly as practicable thereafter, the Company shall issue and deliver to or upon the written order of such holder, to the place designated by such holder, a certificate or certificates for the number of full and fractional shares of Common Stock to which such holder is entitled. The person in whose names the certificate or certificates for Common Stock are to be issued shall be deemed to have become a shareholder of record on the applicable Conversion Date unless the transfer books of the Company are closed on that date, in which event he shall be deemed to have become a shareholder of record on the next succeeding date on which the transfer books are open, but the Series A conversion price for the Series A Preferred Stock as determined above shall be that in effect on the Conversion Date.

6. VOTING RIGHTS

(a) Vote Other than for Directors. Except as otherwise required by law and as provided in subsection 6(b) and 6(c) below with respect to the election of directors and protective provisions, the holders of Series A Preferred Stock and Common Stock shall be entitled to notice of any shareholders' meeting and to vote as a single class upon any matter submitted to the shareholders for a vote, as follows: (i) each holder of Series A Preferred Stock shall have one vote for each full share of Common Stock into which his or her shares of Series A Preferred Stock would be convertible on the record date for the vote, and (ii) the holders of Common Stock shall have one vote per share of Common Stock.

(b) Number of Directors and Voting for Directors. For so long as any shares of Series A Preferred Stock are outstanding, the holders of such shares of Series A Preferred Stock shall be entitled to elect at least two directors and may agree as to how to elect or designate such persons to the board. Additionally, the board of directors shall not exceed seven members. Further, any vacancy in the Board of Directors occurring because of the death, resignation or removal of a director elected by the holders of the Series A Preferred Stock shall be filled by the vote or written consent of the holders of a majority of the Series A Preferred or, in the absence of action by such holders, by action of the remaining director or directors elected by the holders of such series. A

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director elected by the holders of the Series A Preferred Stock may be removed from the Board of Directors with or without cause, by the vote or consent of the holders of a majority in interest of such series. Any vacancy in the Board of Directors occurring because of the death, resignation or removal of a director elected by the holders of Common stock shall be filled by the vote or written consent of holders of a majority of the Common Stock or, in the absence of action by such holders, by the action of the remaining director or directors elected by the holders of Common Stock. In the event of (w) any payment default, or other material breach of any agreement or obligation of the Company to any Holder of Series A Preferred Stock, or to the Holders as a group, or (x) in the event of the death or resignation of Charles Gallopo from full time employment with the Company at any time before December 31, 2007, or (y) in the event of a "Performance Default" (as defined below), the Series A Preferred Stock shall without any action required other than the preparation of a written consent of the majority of the Series A Preferred Stock remove the majority of the board of directors and replace the board with a majority of directors selected by the Series A Preferred Stock (in which case the board may be comprised of any number greater than 2, but less than seven). A "Performance Default" shall mean the failure to fulfill or comply with the following:

(i) Commencing with the period ending September 30, 2004 and as of the month ended for each month following September 30, 2004, the Company shall have complied with cash availability restrictions and covenants imposed by contract between the Company and the Holders (particularly the covenant to maintain as of the end of each calendar month a cash balance exceeding two times the average of the prior three months operating expenses); and

(ii) The Company will generate total aggregate bookings (specifically a signed contract for delivery of water treatment systems at reasonable pricing to either a maritime or land based user and for which a deposit of not less than 10% shall have been paid at or within 30 days of the date of the signing of the contract): (i) for the period commencing March 1, 2004 and ending September 30, 2004, of not less than \$5,000,000, and (ii) for the period beginning on the date hereof and ending March 31, 2005 equal to or greater than \$10,000,000.

(c) Protective Provisions. Notwithstanding the requirements for voting with regard to any other matter, without the approval and affirmative vote of not less than 65% of the Series A Preferred Stock holders and the approval of Eaglestone and Tesla, the Company shall not:

- (a) create any security with liquidation, dividend or voting rights senior to or pari passu with the Series A Preferred Stock;
- (b) pay dividends on any class of stock other than the Series A Preferred Stock;
- (c) redeem or repurchase any equity securities issued by the Company;
- (d) liquidate, dissolve or wind up of the Company;

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(e) effect any merger, acquisition, recapitalization, reorganization or sale of all or substantially all of the assets of the Company;

(f) increase or decrease the number of authorized shares of any series of Preferred Stock;

(g) change the rights, preferences and privileges of the Series A Preferred Stock;

(h) make any distribution of stock to shareholders of the Company that would qualify as a transaction covered under Section 305 of the Internal Revenue Code of 1986, as amended;

(i) change the size of the Board of Directors from seven (7) directors;

(j) materially amend or repeal of any provision of the Company's Articles of Company or Bylaws in a manner that alters or changes the voting or other powers, privileges or special rights of the Series A Preferred Stock so as to affect them adversely;

(k) change the nature of the Company's business;

(l) form a subsidiary or contribute any of the Company's assets or property to any subsidiary, or undertake any transaction with any person or party affiliated with any member of management or any stockholder other than a holder of Series A Preferred Stock, except as set forth in Section 6 (l) of the Disclosure Schedule; or

(m) authorize any amount of indebtedness other than debt not exceeding \$100,000, and indebtedness owed to Eaglestone and Tesla, and any working capital debt secured only by accounts receivable not exceeding \$500,000.

7. TRANSFERS

The Series A Preferred Stock may not be sold, pledged, transferred or otherwise hypothecated without compliance with the terms and conditions of any agreement required to be entered as a condition to issuance of the shares of Series A Preferred Stock.

8. SEVERABILITY OF PROVISIONS

If any right, preference or limitation of the Series A Preferred Stock set forth in this Certificate is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all of the rights, preferences and limitations set forth in this Certificate (as so amended) which can be given effect without the invalid, unlawful or unenforceable right,

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preference or limitation shall nevertheless remain in full force and effect and no right, preference or limitation herein set forth shall be deemed dependent upon any other such right, preference or

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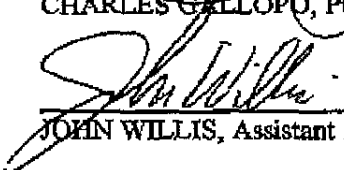
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limitation unless so expressed herein. Further, any such invalid, unlawful or unenforceable right shall be enforced to the fullest extent permissible for the benefit of the Holder.

Signed this 25th day of March, 2004.


CHARLES GALLOPO, President


JOHN WILLIS, Assistant Secretary