

P96000020106

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**BASIC AMENDMENT**

**UNITED SPORTS FANS, INC.**

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December 2, 1999

UNITED SPORTS FANS, INC.  
2201 CORPORATE BLVD.  
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BOCA RATON, FL 33431US

SUBJECT: UNITED SPORTS FANS, INC.  
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Darlene Connell  
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**United Sports Fans, Inc.  
Statement of Designations, Powers, Preferences and Rights  
of Series A Preferred Stock**

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United Sports Fans, Inc., a Florida corporation (the "Corporation"), hereby certifies pursuant to Section 607.0602 of the Florida Business Corporation Act, that its Board of Directors unanimously adopted the following statement of designation, powers, preferences and rights on December 2, 1999, which remains in full force and effect on the date hereof.

WHEREAS, the Board of Directors is authorized by the Corporation's Articles of Incorporation to determine the preferences, limitations and relative rights and to fix by resolution the designation of each series of Preferred Stock of the Corporation; and

WHEREAS, it is the desire of the Board of Directors of the Corporation to authorize and fix the terms of a series of Preferred Stock and the number of shares constituting such series.

NOW THEREFORE, BE IT RESOLVED, that there is hereby authorized such series of Preferred Stock on the terms and with the provisions herein set forth.

The designation of the series of Preferred Stock authorized by this resolution shall be "Series A Preferred Stock". The Series A Preferred Stock shall consist of 1,160,000 shares with a par value of \$.001 per share.

1. **Ranking.** The Series A Preferred Stock shall, with respect to liquidation, winding up and dissolution, rank prior to the Common Stock, \$.001 par value, of the Corporation (the "Common Stock"). The Corporation may issue additional series of Preferred Stock that rank *pari passu* or junior to the Series A Preferred Stock.

2. **Dividends.** The holders of Series A Preferred Stock shall not be entitled to receive or be paid any dividends whatsoever by the Corporation.

3. **Voting Rights.** Except as otherwise provided in paragraph 5 hereof, the holders of Series A Preferred Stock shall not be entitled to vote upon any matter relating to the business or affairs of the Corporation or for any other purpose, nor shall they be entitled to notification of any meetings of the Board of Directors or the stockholders of the Corporation.

4. **Conversion Rights.**

The shares of Series A Preferred Stock shall be convertible, at the option of the holders thereof upon ten days' written notice to the Corporation at any time at the office of any duly appointed transfer agent for the Series A Preferred Stock and at such other office or offices, if any, as the Board of Directors of the Corporation may determine, into fully paid and non-assessable shares of Common Stock at a conversion rate of 2.0 shares of Common Stock for each share of Series A Preferred Stock tendered by the holder for conversion.

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Before any holder of Series A Preferred Stock shall be entitled to convert the Series A Preferred Stock into Common Stock, he shall surrender the certificate or certificates for such Series A Preferred Stock, at any office hereinabove mentioned, which certificate or certificates shall be duly endorsed to the Corporation or in blank or accompanied by proper instruments of transfer to the Corporation or in blank, unless the Corporation shall waive such requirement, and shall give written notice to the Corporation at any of said offices that he elects so to convert said Series A Preferred Stock, and shall state in writing therein the name or names (with address and social security number or taxpayer I.D. number) in which he wishes the certificate or certificates for Common Stock to be issued.

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

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

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If the Corporation shall distribute to all holders of shares of Common Stock any assets (other than any dividend payable solely in cash out of retained earnings), any rights to subscribe or any evidence of indebtedness or other securities of the Corporation (other than Common Stock), then in each case the conversion rate of the Series A Preferred Stock shall be adjusted so that the same shall take into account the fair market value (as determined in a resolution adopted by the Board of Directors of the Corporation, which shall be conclusive evidence of such fair market value) of the portion of the assets or evidence of indebtedness or securities so distributed or of such subscription rights applicable to the product of one share of Common Stock multiplied by the conversion rate for the Series A Preferred Stock. Such adjustment shall become effective retroactively immediately after the record date.

In case of any capital reorganization or any reclassification of the capital stock of the Corporation or in case of the consolidation or merger of the Corporation with another corporation (other than a merger not involving any reclassification, conversion, or exchange of Common Stock, in which the Corporation is the surviving corporation), or in case of any sale or conveyance of all or substantially all of the property of the Corporation, each share of Series A Preferred Stock shall thereafter be convertible into the number of shares of stock (of any class or series) or other securities or property receivable upon such capital reorganization, reclassification of capital stock, consolidation, merger, sale or conveyance, as the case may be, by a holder of the number of shares of Common Stock into which such share of Series A Preferred Stock was convertible immediately prior to such capital reorganization, reclassification of capital stock, consolidation, merger, sale or conveyance; and, in any case, appropriate adjustment (as determined by the Board of Directors of the Corporation) shall be made in the application of the provisions herein set forth with respect to rights and interests thereafter of the holder of the Series A Preferred Stock, to the end that the provisions set forth herein (including the specified changes in and other adjustments of the conversion rate) shall thereafter be applicable, as near as reasonably practical, in relation to any share of stock or other securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock.

Whenever the conversion rate is adjusted as herein provided, the Corporation shall forthwith file with any transfer agent or agents for the Series A Preferred Stock appointed as aforesaid a certificate signed by the President or one of the Vice Presidents of the Corporation and by its Treasurer or an Assistant Treasurer, stating the adjusted conversion rate determined as provided above and in reasonable detail the facts requiring such adjustment. Such transfer agent(s) shall be under no duty to make any inquiry or investigation as to the statements contained in any such certificate or as to the manner in which any computation was made, but may accept such certificate as conclusive evidence of the statements therein contained, and each transfer agent shall be fully protected with respect to any and all acts done or action taken or suffered by it in reliance thereon. No transfer agent in its capacity as transfer agent shall be deemed to have any knowledge with respect to any change of capital structure of the Corporation unless and until it receives a notice thereof pursuant to the provisions of this paragraph and in default of any such notice each transfer agent may conclusively assume that there has been no such change.

The Corporation shall at all times reserve and keep available, out of its authorized and unissued or treasury shares of Common Stock, or other stock or securities deliverable upon conversion pursuant to this paragraph 4, solely for the purpose of effecting the conversion of the

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Series A Preferred Stock, such number of shares as shall from time to time be sufficient to effect the conversion of all shares of Series A Preferred Stock from time to time outstanding. The Corporation shall from time to time, in accordance with the laws of Florida, increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued or treasury shares of Common Stock shall not be sufficient to permit the conversion of all the then outstanding Series A Preferred Stock.

The Corporation will pay any and all issuance taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Preferred Stock pursuant hereto. The Corporation shall not, however, be required to pay any issuance tax which may be payable in respect of any transfer involved in the issue and delivery of Common Stock in a name other than that in which the Series A Preferred Stock so converted was registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such issuance tax, or has established, to the satisfaction of the Corporation, that such issuance tax has been paid.

5. **Amendments.** No provision of these terms of the Series A Preferred Stock may be amended, modified or waived without the written consent or affirmative vote of the holders of at least two-thirds of the then outstanding shares of Series A Preferred Stock voting separately as a class.

6. **Liquidation.** In the event of a liquidation, dissolution or winding up of the Corporation (the "Liquidation"), the holders of shares of Series A Preferred Stock shall be entitled to receive out of the assets of the Corporation an amount in cash per share of Preferred Stock equal to \$.8621 per share, in preference to and in priority over any such distribution upon shares of Common Stock or of any stock ranking junior to the Series A Preferred Stock (collectively "Junior Stock"). Except for the foregoing, the holders of shares of Series A Preferred Stock shall not be entitled to participate in any other distributions payable by the Corporation upon Liquidation.

In the event the assets of the Corporation available for distribution to the holders of shares of the Series A Preferred Stock upon Liquidation of the Corporation shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to the immediately preceding paragraph, no such distribution shall be made on account of any shares of any Junior Stock, except that a proportionate distributive amount shall be paid on account of the shares of the Series A Preferred Stock and any other class of shares ranking on a parity with the Series A Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such Liquidation.

7. **No Redemption Right.** Except as may otherwise be expressly provided in a separate writing or as otherwise provided by law, neither the Corporation nor any holder of any shares of Series A Preferred Stock shall have the right to cause any of the shares of the Series A Preferred Stock to be redeemed. The shares of Series A Preferred Stock shall not be entitled to the benefit of any sinking fund to be applied to the purchase or redemption of such shares.

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8. **No Preemptive Rights.** Except as may otherwise be expressly provided in a separate writing, the holders of shares of Series A Preferred Stock shall have no preemptive rights or options to purchase any shares of the Corporation's capital stock.

9. **Status of Redeemed or Converted Shares.** Any shares of the Series A Preferred Stock that at any time shall have been converted or that shall have been redeemed or that have been otherwise repurchased by the Corporation, shall after such conversion, redemption or repurchase have the status of authorized but unissued shares of Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board of Directors.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be signed by its undersigned officer this 2<sup>nd</sup> day of December, 1999.

UNITED SPORTS FANS, INC.,  
a Florida corporation

By:   
Marc Solomon, Vice President

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