

# P96000024173

Company  
EGT ENYON  
1550 N E 123rd St Suite 401  
North Miami, FL 33161

Office Use Only

**CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):**

1. \_\_\_\_\_ (Corporation Name) \_\_\_\_\_ (Document #)
2. \_\_\_\_\_ (Corporation Name) \_\_\_\_\_ (Document #)
3. \_\_\_\_\_ (Corporation Name) \_\_\_\_\_ (Document #)
4. \_\_\_\_\_ (Corporation Name) \_\_\_\_\_ (Document #)

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-03/13/96--01115--002  
\*\*\*70.00 \*\*\*70.00

- ☐ Walk in    ☐ Pick up time \_\_\_\_\_    ☐ Certified Copy  
☐ Mail out    ☐ Will wait    ☐ Photocopy    ☐ Certificate of Status

NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

AMENDMENTS	
<input type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A., Officer/ Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input type="checkbox"/>	Merger

OTHER FILINGS	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
<input type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

FILED  
96 MAR 13 AM 8:47  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

Clyde Smyth GAVE  
AUTHORIZATION BY PHONE TO  
CORRECT Incorporator (old the name)  
DATE 3/19/96  
DOC. EXAM. SAB

SAB  
3/19/96

# ARTICLES OF INCORPORATION

FILED  
96 MAR 13 AM 8:47  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

*The undersigned incorporator(s), for the purpose of forming a corporation under the Florida Business Corporation Act, hereby adopt(s) the following Articles of Incorporation.*

## ARTICLE I NAME

The name of the corporation shall be:

FGT ENGENYOUS Corporation

## ARTICLE II PRINCIPAL OFFICE

The principal place of business and mailing address of this corporation shall be:

1221 Brickell Avenue  
9th Floor  
Miami, FL 33131

## ARTICLE III SHARES

The number of shares of stock that this corporation is authorized to have outstanding at any one time is:

25 Million

## ARTICLE IV INITIAL REGISTERED AGENT AND STREET ADDRESS

The name and address of the initial registered agent is:

Clyde Smyth  
1550 North East 123rd. Street  
North Miami, FL 33161

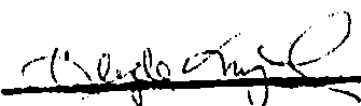
**ARTICLE V INCORPORATOR(S)**

The name(s) and street address(es) of the Incorporator(s) to these Articles of Incorporation is(are):

Clyde Smyth  
1550 N. East 123rd St.  
N. Miami, FL 33161

The undersigned Incorporator(s) has(have) executed these Articles of Incorporation this

1st day of July 19 95

  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Signature

**Articles of Incorporation  
Filing Fee - \$35**

ARTICLE IV

This is acknowledgment that I am the Registered Agent for the company and will filled all duty that is requested by me as agent for the company.

Sign by: George Angel Date: July 1st 1953

FILED  
96 MAR 13 AM 8:47  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

P96 000024173

**EDWARDS & CARSTARPHEN**

A Partnership of Professional Associations

Attorneys & Consultants

DEBORAH MONTGOMERY EDWARDS  
AT & CARSTARPHEN

2800 Douglas Road, Suite 201 • Coral Gables, Florida 33134  
Tel: (305) 442-2249 • Fax: (305) 442-0200

OF COUNSEL  
KIM DE LEON

1332 East Capitol Street • Washington, D.C. 20003 1533  
Tel: (202) 544-4243 • Fax: (202) 547-4876

OFFICE IN THE DISTRICT OF COLUMBIA AND MARYLAND

September 3, 1996

0000019318776  
-09/04/96 -01143 -011  
\*\*\*\*\*87.50 \*\*\*\*\*87.50

Florida Secretary of State  
Corporate Records Bureau  
409 East Gains Street  
Tallahassee, Florida 32399

Re: Articles of Amendment of : FGT ENGENYOUS CORPORATION

Gentlemen:

Enclosed please find an Original and one copy of the Articles of Amendment for the above referenced corporation. Also enclosed please find a check in the amount of \$87.50 for the following:

\$35.00 Filing Fee

\$52.50 Certified Copy of Articles of Amendment

Thank you for your assistance in this matter. Should you need to contact me please call me at (305) 442-2249. I have enclosed a return Federal Express envelope in order to expedite return of the filed amended articles.

Sincerely,

*Dulce Gomez*  
Dulce Gomez

dg  
Encls.

FILED  
SECRETARY OF STATE  
DIVISION OF CORPORATION  
96 SEP -4 PM 2:35  
Amend  
SEP 11 1996

ARTICLES OF AMENDMENT OF  
FGT ENGENYOUS CORPORATION

The Articles of Incorporation of FGT ENGENYOUS, CORP., a Florida corporation filed in Tallahassee on March 13, 1996, be and it is hereby amended in the following particulars:

Article 3 be and is hereby amended as follows:

Article 3: Shares

(1) The number of shares of common stock that this corporation is authorized to have outstanding at any one time is 25 million.

(2) The Corporation is authorized to have 2,500,000 preferred stock outstanding at any one time.

a. 180,000 preferred stock shall constitute Class A Cumulative Preferred Stock and shall have the powers, designation, preference and rights set out in the attached Certificate of the Powers, Designations, Preferences and Rights attached hereto and incorporated as a part hereof.

b. The remaining 2,300,000 preferred shares shall be Class B Preferred Stock and have such rights as may be determined by the Board of Directors from time to time.

The foregoing amendment was adopted by all of the Stockholders and all of the Directors of the Corporation on August 12, 1996.

IN WITNESS WHEREOF, the undersigned President and Secretary of this Corporation have executed this Article of Amendment, this 3rd day of September, 1996.

FGT ENGENYOUS CORPORATION

By: Clyde Smyth  
Clyde Smyth, President

By: Clyde Smyth  
Clyde Smyth, President

State of Florida )  
                  ) ss:  
County of Dade    )

The foregoing instrument was acknowledged before me this 3rd day of September, 1996, by Clyde Smyth, as President and Secretary of FGT Engenyous Corp., on behalf of said corporation, who is personally known to me or who has produced FL DRIVER LICENSE # 5530-100-38-452-0 as identification and who did/did not take oath.

Maribel Fernandez  
Notary Public, State of Florida  
Print Name: Maribel Fernandez  
My Commission Expires



MARIBEL FERNANDEZ  
COMMISSION # CC476518  
EXPIRES JULY 11, 1999

FILED  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA  
96 SEP -4 PM 2:35

CERTIFICATE OF FGT ENGENYOUS CORPORATION

The Board of Directors of FGT ENGENYOUS CORP., ("FGT") at a meeting duly convened and held on August 12, 1996, at which a quorum was present, approved the following resolutions:

BE IT RESOLVED

- 1) That the Board authorized the borrowing by FGT of the aggregate amount of Fifty Thousand (\$50,000.00) Dollars from Miami Ventures Limited ("MVL") on the terms and conditions contained in an Investment Agreement to be executed between the parties, substantially in the form of the draft thereof submitted to the Board for review;
- 2) The Board authorizes the President and Secretary of the Corporation, Clyde Smyth, to execute on behalf of the Corporation, the Investment Agreement and all documents referred to therein which are required to be executed between FGT and MVL as a condition of the loan. Such documents include a Convertible 14% Debenture, a Security Agreement, a Stock Option Agreement and any other documents which may be requested to evidence or secure the loan.
- 3) That the Corporation shall create 2,500,000 preferred stock which shall be divided into 180,000, Class A Preference Stock and 2,320,000 of which shall be Class B Preferred Stock.
- 4) That the Corporation shall issue to MVL 180,000 Class A Preferred Stock which shall be Cumulative Convertible Participating Preferred Stock, at a par value of \$1.00 per share. Such Class A Preferred Stock shall have the powers, preferences and rights contained in the Certificate of Powers, Designation, Preferences and Rights substantially in the form approved by this Board and attached hereto as Exhibit A.

Dated this 13th day of August, 1996.

  
Chairman

  
Secretary

**CERTIFICATE**  
**OF**  
**THE POWERS, DESIGNATIONS,**  
**PREFERENCES AND RIGHTS**  
**OF THE**  
**CLASS A CUMULATIVE CONVERTIBLE**  
**PARTICIPATING PREFERRED STOCK**  
**PAR VALUE \$1.00 PER SHARE**  
**OF**  
**FGT ENGENYOUS, CORP.**

FGT ENGENYOUS, CORP., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), pursuant to Section 607.047 of the 1989 Business Corporation Act of the State of Florida, certifies that the Board of Directors of the Corporation at a meeting thereof duly called and held on August 12, 1996, at which meeting a quorum was present and acting throughout, duly adopted the following resolutions: e

WHEREAS, the Board of Directors of the Corporation is authorized, within the limitations and restrictions stated in the Articles of Incorporation of the Corporation, as amended ("Articles of Incorporation"), to fix by resolution or resolutions the designation of each series of preferred stock, \$1.00 par value per share ("Preferred Stock"), the number of shares constituting such series and the relative rights, preferences and limitations thereof, including, without limiting the generality of the foregoing, such provisions as may be desired concerning voting, redemption, dividends, dissolution or the distribution of assets, conversion or exchange, and such other subjects or matters as may be fixed by resolution or resolutions of the Board of Directors under



the 1989 Business Corporation Act of the State of Florida; and

WHEREAS, it is the desire of the Board of Directors of the Corporation to authorize a series of Preferred Stock to be designated "Class A Cumulative Convertible Participating Preferred Stock" and fix the terms of the Class A Cumulative Convertible Participating Preferred Stock and the number of shares constituting such series and to sell such shares to Miami Ventures, Ltd.

NOW, THEREFORE, BE IT RESOLVED that pursuant to the authority vested in the Board of Directors by the Articles of Incorporation there is created a series of Preferred Stock consisting of 180,000 shares of Class A Cumulative Convertible Participating Preferred Stock with Warrants, par value \$1.00 per share.

1. Designation and Number of Shares.

The designation of such series of Preferred Stock, par value \$1.00 per share (the "Preferred Stock"), authorized by this resolution shall be Class A Cumulative Convertible Participating Preferred Stock (the "Class A Preferred Stock"). The number of shares of the Class A Preferred Stock shall be 180,000 and no more.

2. Rank.

The Class A Preferred Stock shall, with respect to dividend rights and rights upon liquidation, winding up and dissolution, rank senior to (i) any other series or classes of Preferred Stock hereafter created by the Corporation; and (ii) all other equity securities of the Corporation, including the Common Stock, par value \$.001 per share (the Common Stock"), of the Corporation (all of the securities of the Corporation which rank junior to the Class A Preferred Stock are at times collectively referred to herein as the "Junior Securities").

3. Dividends.

(a) The holder of the shares of the Class A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of funds at the time legally available for the payment of dividends, cumulative cash dividends at the annual rate of 8.25 % per annum. If and when the Corporation declares a dividend payable to the holder(s) of its capital stock, 20% of the funds representing such dividend shall be allocated to payment of dividends to the holder(s) of the Class A Preferred Stock. Such dividends shall be payable in equal quarterly payments on January 31, April 30, July 31 and October 31 of each year (except that the first dividend payment on the Class A Preferred Stock shall be an amount equal to the accumulated dividends prorated from the date of initial issuance (the "Original Issue Date"), commencing on October 31, 1996 (each such dates being referred to herein as a "Dividend Payment Date"). Such dividends shall be paid to the holder of record at the close of business on the date specified by the Board of Directors of the Corporation at the time such dividend is declared; provided, however, that such date shall not be more than 60 days nor less than 10 days prior to the respective Dividend Payment Date. Each such quarterly dividend shall be fully cumulative and shall accrue (whether or not declared), without interest, from the first day of the quarter (or, with respect to the first such dividend, from the Original Issue Date) in which such dividend may be payable through the Dividend Payment Date with respect to such quarter as herein provided. If the Dividend Payment Date is not a business day, the Dividend Payment Date shall be the next succeeding business day.

(b) (i) The holder of shares of the Class A Preferred Stock shall be entitled to receive the dividends provided for in Section 3(a) hereof in preference to, and in priority over, any dividends upon any of the Junior Securities;

(ii) so long as any shares of the Class A Preferred Stock are outstanding, the Corporation shall not declare, pay or set apart for payment any dividend on any of the Junior Securities or make any payment on account of, or set apart for payment money for a sinking or other similar fund for, the purchase, redemption or other retirement of, any of the Junior Securities or any warrants, rights, calls or options exercisable for any of the Junior Securities, or make any distribution in respect thereof, either directly or indirectly and whether in cash, obligations or shares of the Corporation or other property (other than distributions or dividends in stock to the holders of such stock), and shall not permit any corporation or other entity directly or indirectly controlled by the Corporation to purchase or redeem any of the Junior Securities or any warrants, rights, calls or options exercisable for any of the Junior Securities, unless prior to or concurrently with such declaration, payment or setting apart for payment, purchase or distribution, as the case may be, all accrued and unpaid cash dividends on shares of the Class A Preferred Stock not paid on the dates provided for in Section 3(a) hereof shall have been or, concurrently therewith, shall be paid.

4. Liquidation Preference, Merger, Consolidation, etc.

(a) In the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holder of shares of Class A Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to its stockholders, an amount equal to \$1.00 per share, plus any dividends accrued and unpaid thereon to the date of liquidation, before any payment shall be made or any assets distributed to the holders of Common Stock or any class or series of the Corporation's capital stock ranking junior as to liquidation rights to the Class A Preferred Stock. The entire assets of the Corporation available for distribution after the

liquidation preferences of (i) the shares of Class A Preferred Stock; and (ii) any shares of capital stock of the Corporation ranking senior or pari passu as to liquidation rights to the shares of Class A Preferred Stock, shall be distributed ratably to the holders of (x) shares of Class A Preferred Stock as if the shares of Class A Preferred Stock had been converted into shares of Common Stock at the then applicable Conversion Price (as defined in Section 10 below), and (y) shares of Common Stock.

(b) In case the Corporation shall effect any statutory share exchange or other capital reorganization or reclassification of its Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value) or shall consolidate or merge with or into any other corporation (other than a merger in which the Corporation is the surviving corporation and each share of Common Stock outstanding immediately prior to such merger is to remain outstanding immediately after such merger) or shall sell or transfer all or substantially all of its assets to any other corporation, lawful provision shall be made as part of the terms of such transaction whereby the holder of Class A Preferred Stock shall, at its option, be entitled to receive on the effective date of any such transaction, with respect to each such share, the sum of \$1.00, plus an amount in cash such that the annualized return on \$1.00 from the original issuance date of the issuance date of the shares of the Class A Preferred Stock to the date of payment would be 8.25%, compounded quarterly, after taking into account all dividends paid on such share.

5. Mandatory Redemption.

(a) If, on <sup>November 15,</sup> ~~October 31,~~ 1996, the Corporation shall have issued and outstanding less than 10,001 shares of the Class A Preferred Stock, the Corporation shall, upon written notice given <sup>-2</sup> to the Corporation by the holder(s) redeem shares of the Class A Preferred Stock at the

redemption price of \$2.00 per share, plus any appreciated market value of the fully diluted converted value of the Class A Preferred Stock as of date fixed for redemption as reflected in the latest audited financial statements of the Company and all accrued and unpaid dividends thereon to the date fixed for redemption, at the option of the holder(s) of shares of Class A Preferred Stock, commencing on July 31, 1997 and ending July 31, 1999 as follows:

<u>Date of Redemption</u>	<u>Number of Shares to be redeemed</u>
July 31, 1997	3,333 shares
July 31, 1998	3,333 shares
July 31, 1999	3,334 shares

The mandatory redemption requirements shall be cumulative so that in any year the full number of shares required to be redeemed in such year (including any amount of shares carried over from any preceding year) is not so redeemed for any reason, the deficiency shall be added to the requirements of the mandatory redemption for the next year. The price per share of the shares of Class A Preferred Stock to be redeemed on any date fixed for redemption, which is not so redeemed, shall be increased by \$.50 per share, per fiscal year, for each date fixed for redemption subsequent to the date fixed for redemption that the shares were originally required to be redeemed.

(b) If, on <sup>November 15,</sup> ~~October 31,~~ 1996, the Corporation shall have issued and outstanding at least 30,000 shares of Class A Preferred Stock, the Corporation shall, upon written notice given to the Corporation by the holder(s) of the Class A Preferred Stock, redeem shares of the Class A Preferred Stock at the redemption price of \$2.50 per share, plus any appreciated market value of the fully diluted converted value of the Class A Preferred Stock as of date fixed for redemption

as reflected in the latest audited financial statements of the Company and all accrued and unpaid dividends thereon to the date fixed for redemption, at the option of the holder(s) of shares of Class A Preferred Stock, commencing on July 31, 1997 and ending July 31, 2001 as follows:

<u>Date of Redemption</u>	<u>Number of Shares to be redeemed</u>
July 31, 1997	6,000 shares
July 31, 1998	6,000 shares
July 31, 1999	6,000 shares
July 31, 2000	6,000 shares
July 31, 2001	6,000 shares

The mandatory redemption requirements shall be cumulative so that in any year the full number of shares required to be redeemed in such year (including any amount of shares carried over from any preceding year) is not so redeemed for any reason, the deficiency shall be added to the requirements of the mandatory redemption for the next year. The price per share of the shares of Class A Preferred Stock to be redeemed on any date fixed for redemption, which is not so redeemed shall be increased by \$.50 per share, per year, for each date fixed for redemption subsequent to the date fixed for redemption that the shares were originally required to be redeemed.

6. Default by Corporation in Payment of Redemption Amounts.

In the event the Corporation defaults in the payment of the mandatory redemption amount pursuant to section 5 hereof and the Corporation has the funds legally available to make such payment(s), and such default is not cured within thirty (30) days after its occurrence, the holder(s) of the Class A Preferred Stock shall have the right at their option to either (i) have the Corporation redeem all of the shares of the Class A Preferred Stock held by the holder(s) at the applicable price as of the date fixed for redemption of such shares of Class A Preferred Stock, within thirty

(30) days from of the date of the uncured event of default; or (ii) appoint a majority of the Board of Directors of the Corporation which shall serve until the default has been remedied.

7. Default By Corporation In Payment of Dividends.

In the event that the Corporation defaults in the payment of any dividends under Section 5 hereof and the Corporation has the funds legally available to make such payment(s) and such default is not cured after a thirty (30) day period after its occurrence, the holder of the shares of the Class A Preferred Stock shall have the right at their option to either (i) have the Corporation redeem all of the shares of the Class A Preferred Stock held by the holder(s) at the applicable price, as of the date fixed for redemption of such shares of Class A Preferred Stock, within thirty (30) days from of the date of the uncured event of default; or (ii) appoint a majority of the Board of Directors of the Corporation which shall serve until the default has been remedied.

8. Post-Sale Price Adjustment.

In the event of (i) a sale of control of the Corporation by a sale of all or substantially all of the assets of the Corporation, a merger in which the Corporation is not the surviving corporation, the sale by the holders of 50% or more of the total number of outstanding shares of Common Stock of the Corporation, or (ii) an initial public offering by the Corporation of its securities, which sale of control or initial public offering occurs not more than sixteen (16) months after the of the purchase by the Corporation of shares of Class A Preferred Stock, by redemption, negotiated purchase or otherwise, then the holder(s) of the Class A Preferred Stock, which was subject to the redemption by the Corporation or sale to the Corporation, shall be entitled to payment by the Company of an amount equal to the difference between (x) the per share amount paid in the sale of control transaction or initial public offering; and (y) the applicable Conversion Price per share

(in accordance with Section 10 of this Certificate).

9. Voting Rights.

(a) The holder of shares of the Class A Preferred Stock shall be entitled to one vote per share. Except as otherwise provided below or by law, the holder of shares of Class A Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of the Corporation's stockholders.

(b) The holder of Class A Preferred Stock shall have the right to vote as a separate class on the following matters: (i) an amendment of any of the principal terms of the Class A Preferred Stock; (ii) the authorization, creation, issuance or sale of any class of capital stock ranking senior to, or on parity with the Class A Preferred Stock as to dividends or liquidation preference; or (iii) the merger of the Corporation into or consolidation with another entity, or the sale of all or substantially all of the assets of the Corporation to another entity.

10. Conversion Rights; Adjustments.

(a) Subject to and in compliance with the provisions of this Section 10, all of the issued and outstanding shares of Class A Preferred Stock shall, at the option of the holder of record thereof, be converted, at any time and from time to time, in whole or in part, into fully paid and nonassessable shares of Common Stock (as such shares may be constituted on the Conversion Date, as hereinafter defined) at the Conversion Price (as hereinafter defined). As used herein, the "Conversion Price" shall equal \$.068, or, in case an adjustment of such Conversion Price has taken place pursuant to the provisions of Section 10(c) below, then the Conversion Price shall be as last adjusted and in effect on the Conversion Date. No adjustment in the Conversion Price shall be made on account of any unpaid dividends, whether or not accrued, on the Class A Preferred



Stock and any holder thereof surrendering any shares thereof for conversion shall be deemed to have waived any and all rights to such dividends.

(b) Before any holder of shares of Class A Preferred Stock shall be entitled to convert the shares into Common Stock, the holder thereof shall deliver the certificate or certificates therefor, duly endorsed, at the office of the Corporation or the Corporation's transfer agent, if any, and shall give written notice to the Corporation that such holder elects to convert all or part of the shares represented by the certificate or certificates and shall state in writing therein the name or names in which such holder wishes the certificate or certificates for Common Stock to be issued. Conversion shall be deemed to have been made effective on the date when such delivery is made, and such date is referred to herein as the "Conversion Date". The Corporation will, as soon as practicable thereafter, issue and deliver to such holder, or to such holder's nominee or nominees, certificates for the number of full shares of Common Stock to which such holder shall be entitled as aforesaid, together with cash in lieu of any fraction of a share as hereinafter provided. If surrendered certificates for Class A Preferred Stock are converted only in part, the Corporation will issue and deliver to such holder a new certificate or certificates representing the aggregate number of the unconverted shares of Class A Preferred Stock.

(c) The Conversion Price shall be subject to adjustment as follows:

(i) Adjustment Upon Issuances of Common Stock Below the Conversion Price. In case the Corporation shall issue any shares of Common Stock for a consideration per share ("Lower Price") less than the then existing Conversion Price applicable immediately prior to such issuance, the Conversion Price in effect immediately prior to each such issuance shall be reduced to a price equal to the Lower Price and the number of shares shall be adjusted such that the same

percentage of ownership is maintained. For the purposes of this clause (1), the following provisions shall also be applicable:

(1) Convertible Securities, Options and Rights. If the Corporation shall issue any stock, warrant, security, obligation, option or other right which directly or indirectly may be converted, exchanged, or satisfied in shares of Common Stock, the maximum total number of shares of Common Stock issuable upon such conversion, exchange or other exercise of such securities or rights shall thereupon be deemed to have been issued and to be outstanding, and the consideration received by the Corporation therefor shall be deemed to include the sum of the consideration received for the issue of such securities or rights and the minimum additional consideration payable upon such conversion, exchange or other exercise of such securities or rights. No further adjustment shall be made for the actual issuance of Common Stock upon such conversion, exchange or other exercise of any such securities or rights. If the provisions of any such securities or rights with respect to purchase price or shares purchasable shall change or expire, any adjustment previously made hereunder therefor shall be readjusted to such as would have been obtained on the basis of the securities or rights as modified by such change or expiration.

(2) Stock Dividends and Splits

In case the Corporation shall declare a dividend or other distribution payable in Common Stock or shall subdivide Common Stock into a greater number of shares of Common Stock, such issue of Common Stock shall be deemed to have been made without consideration.

(3) Consideration.

In case the Corporation shall issue shares of Common Stock for a consideration wholly or partly other than cash, the amount of the consideration other than cash received by the Corporation shall

be deemed to be the fair value of such consideration as determined by the Board of Directors of the Corporation by any method such Board deems appropriate (Provided, however, that in the event that any such shares of Common Stock are to be issued to any person or entity in which any director or directors of the Corporation has an interest, such determination shall be made solely by those members of the Board of Directors who have no such interest).

(4) Record Dates

In case the Corporation shall take a record of the holders of Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, or (ii) to subscribe for, or purchase Common Stock, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(5) Treasury Stock.

The number of shares of Common Stock outstanding at any given time shall include shares owned or held by, or for the account of the Corporation, and the disposition of any such shares so owned or held shall not be considered an issue of Common Stock.

This Section 10(c)(i) does not apply to rights or warrants referred to in Section 10(c)(iii).

(ii) Adjustments for Changes in Capital Stock. If the Corporation:

- (1) pays a dividend in shares of Common Stock to holders of Common Stock;
- (2) subdivides outstanding shares of Common Stock into a greater number of shares;
- (3) combines outstanding shares of Common Stock into a smaller number of shares;
- (4) pays a dividend on shares of Common Stock in shares of capital stock other than

Common Stock or makes a distribution on Common Stock in shares of capital stock other than Common Stock; or

(5) Issues by reclassification of shares of Common Stock any shares of its capital stock; then the Conversion Price in effect immediately prior to such action shall be adjusted so that the holder of Class A Preferred Stock thereafter converted may receive the number of shares of capital stock of the Corporation which the holder would have owned immediately following such action if the holder had converted the Class A Preferred Stock immediately prior to such action.

For a dividend or distribution, the adjustment shall become effective immediately after the record date for the dividend or distribution. For a subdivision, combination or reclassification, the adjustment shall become effective immediately after the effective date of the subdivision, combination or reclassification.

If after an adjustment a holder of Class A Preferred Stock upon conversion thereof may receive shares of two or more classes of capital stock of the Corporation, the Board of Directors of the Corporation shall determine the allocation of the adjusted Conversion Price between or among the classes of capital stock. After such allocation, the Conversion Price of the classes of capital stock shall thereafter be subject to adjustment on terms comparable to those applicable to Common Stock contained in this Section 10(c).

(iii) Adjustment for Rights Issue. If the Corporation issues any rights or warrants to all or substantially all holders of shares of Common Stock entitling them after the record date mentioned below to purchase shares of Common Stock (or securities convertible into shares of Common Stock) at a price per share (or having a Conversion Price per share) less than the Market Price (as defined below) per share on that record date, the Conversion Price shall be adjusted in

accordance with the formula:

$$C' = C \times \frac{O + \frac{N \times P}{M}}{O + N}$$

where:

C' = the adjusted Conversion Price.

C = the then current Conversion Price.

O = the number of shares of Common Stock outstanding on the record date.

N = the number of additional shares of Common Stock offered.

P = the offering price per share of the additional shares.

M = the Market Price (as hereinafter defined) per share of Common Stock on the record date.

The adjustment shall be made successively whenever any such rights or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive the rights or warrants. If all of the shares of Common Stock or securities convertible into shares of Common Stock subject to such rights or warrants have not been issued when such rights or warrants expire, then the Conversion Price shall promptly be readjusted to the Conversion Price which would then be in effect had the adjustment upon the issuance of such rights or warrants been made on the basis of the actual number of shares of Common Stock (or securities convertible into shares of Common Stock) issued upon the exercise of such rights or warrants.

The term "Market Price" with respect to a share of Common Stock shall mean for each trading day the reported closing sale price, or, if there were no sales on such day, the average of

the reported closing bid and asked prices on the principal national securities exchange on which the Common Stock is listed or admitted to trading (based on the aggregate dollar value of all securities listed or admitted to trading) or, if not listed or admitted to trading on any national securities exchange, in the NASDAQ National Market System or, if the Common Stock is not listed or admitted to trading on any national securities exchange or quoted on the NASDAQ National Market System, the average of the closing bid and asked prices in the over the counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Corporation for the purpose, or, if such prices are not available, the fair market value set by, or in a manner established by, the Board of Directors of the Corporation in good faith.

(iv) Adjustment for Other Distributions. If the Corporation distributes to all, or substantially all holders of shares of Common Stock any assets or general evidences of indebtedness or any rights or warrants to purchase assets or general evidences of indebtedness of the Corporation, then the Conversion Price shall be adjusted in accordance with the formula:

$$C' = C \times \frac{(O \times M) - F}{O \times M}$$

where:

C' = the adjusted Conversion Price.

C = the then current Conversion Price.

O = the number of shares of Common Stock outstanding on the record date.

M = the Market Price per share of Common Stock on the record date.

F = the fair market value on the record date as determined by the Board of Directors of the assets or general evidences of indebtedness distributed.

The adjustment shall be made successively whenever any such distribution is made, and shall become effective immediately after the record date for the determination of stockholders entitled to receive the distribution.

This Section does not apply to cash dividends or cash distributions. Also, this Section does not apply to rights or warrants referred to in Section 10(c)(iii).

(v) Voluntary Adjustment. The Corporation at any time may decrease the Conversion Price, temporarily or otherwise, by any amount, but in no event shall such Conversion Price result in the issuance of Common Stock at a price less than the par value of the Common Stock at the time such decrease is made. Any such decreased Conversion Price shall be available for at least 20 days from the date on which notice of such decrease is filed by the Corporation with the transfer agent for the Common Stock, and such decrease shall be irrevocable during such period. The Company shall notify the holder of Class A Preferred Stock at least 15 days prior to the date on which the reduced Conversion Price takes effect.

All calculations under this Section 10(c) shall be made to the nearest cent or to the nearest 1/1000th of a share, as the case may be.

(vi) Notice of Adjustment.

Whenever the Conversion Price is adjusted, the Company shall calculate the adjustment to be made and shall promptly mail to the holder of Class A Preferred Stock a notice of the adjustment and file with the transfer agent of the Corporation a certificate from an officer of the Corporation briefly stating the facts requiring the adjustment and the manner of computing it. The certificate shall be conclusive evidence that the adjustment is correct, absent manifest error. The notice shall be delivered to the holder of the Class A Preferred Stock, at least fifteen (15) days prior to the

record or effective date.

(vii) Notice of Certain Transactions. If:

- (1) the Corporation takes any action which would require an adjustment in the Conversion Price;
- (2) the Corporation proposes to consolidate with or merge with or into, or transfer all or substantially all of its assets to, another corporation; or
- (3) there is a proposed dissolution or liquidation of the Corporation, a holder of shares of Class A Preferred Stock may desire to convert them into shares of Common Stock prior to the record date for or the effective date of the transaction so that he may receive the rights, warrants, securities or assets which a holder of shares of Common Stock on that date may receive. Therefore, the Corporation shall mail to the holder and the transfer agent a notice stating any such proposed record or effective date, as the case may be, by first class mail at least fifteen (15) days before such date. Failure to mail the notice or any defect in it shall not affect the validity of any transaction referred to in clause (1), (2) or (3) of this Section.

(viii) Sale, Merger, Etc. In case the Corporation shall consolidate or merge into or with another corporation, or in case the Corporation shall sell or convey to any other person, persons or entity, all or substantially all the assets of the Corporation, the holder of Class A Preferred Stock then outstanding shall have the right thereafter to convert each share of Class A Preferred Stock held by him into the kind and amount of shares of stock, other securities, cash and property receivable upon such consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock into which such shares might have been converted immediately prior to such consolidation, merger, sale or conveyance, and shall have no other conversion rights. In any such event, effective provision shall be made, in the certificate or articles of incorporation of the



resulting or surviving corporation or otherwise or in any contracts of sale and conveyance so that, so far as appropriate and as nearly as reasonably may be, the provisions set forth herein for the protection of the conversion rights of the shares of the Class A Preferred Stock shall thereafter be made applicable.

(d) No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon conversion of the Class A Preferred Stock. If more than one certificate representing shares of the Class A Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Class A Preferred Stock so surrendered. Instead of any fractional share of Common Stock that would otherwise be issuable upon conversion of any shares of Class A Preferred Stock, the Corporation will pay a cash adjustment in respect of such fractional interest in an amount equal to the same fraction of the Market Price per share of Common Stock at the close of business on the business day prior to the day of conversion.

(e) The Corporation shall reserve out of its authorized but unissued shares of Common Stock or its shares of Common Stock held in treasury sufficient shares of Common Stock to permit the conversion of the Class A Preferred Stock at all times. All shares of Common Stock which may be issued upon conversion of the Class A Preferred Stock shall be validly issued, fully paid and non-assessable.

(f) The issuance of certificates for shares of Common Stock upon the conversion of shares of Class A Preferred Stock shall be made without charge to the holder of shares of Class A Preferred Stock converting such shares of Class A Preferred Stock for any issue or stamp tax in respect of the issuance of such certificates, and such certificates shall be issued in the respective names of,

or in such names as may be directed by, the holder of shares of Class A Preferred Stock converted.

(g) Shares of Common Stock held in the treasury of the Corporation may in its discretion be delivered upon any conversion of shares of the Class A Preferred Stock.

(h) All certificates for the shares of Class A Preferred Stock and any shares of Common Stock issued upon conversion thereof shall bear the following legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR QUALIFICATION UNDER THE BLUE SKY LAWS OF ANY JURISDICTION. SUCH SECURITIES MAY NOT BE SOLD, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF, BENEFICIALLY OR ON THE RECORDS OF THE CORPORATION, UNLESS THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT AND QUALIFIED UNDER APPLICABLE BLUE SKY LAWS OR AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION IS AVAILABLE."

The certificates evidencing such shares shall also bear any legends required pursuant to any state, local or foreign law governing such securities.

#### 11. Registration Rights

(a) Definitions. The following terms shall have the meanings set forth herein:

"Registrable Common Stock" shall mean the shares of Common Stock issued or issuable upon the conversion of the Class A Preferred Stock pursuant to Section 10 and/or the shares of Common Stock issued or issuable upon the exercise of any Options or Warrants to purchase Common Stock (as defined below) granted by this Certificate.

"Registration Statement" shall mean any registration statement of the Corporation which

covers Registrable Common Stock pursuant to the terms of this Certificate, including the Prospectus, amendments and supplements thereto, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement, filed with the Security and Exchange Commission ("SEC").

"Prospectus" shall mean any prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Common Stock covered by the Registration Statement and by all other amendments and supplements to the Prospectus, including post-effective amendments and all material incorporated by reference in such prospectus.

(b) Demand Registration. At any time after July 31, 1997, if the Company receives from the holder(s) of Registrable Common Stock pursuant to this Certificate, a written request that the Corporation effect any registration or qualification under the Securities Act of 1933, as amended (the "Securities Act") (a "Demand Registration") with respect to the Registrable Common Stock, the Corporation shall as soon as practicable use its best efforts to effect such registration or qualification (including without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable state blue sky laws or other state securities laws and appropriate compliance with exemptive regulations under the Securities Act and any other governmental regulations or requirements) as may be so requested or reasonably required to permit and facilitate the sale of all or such portion of such holder's Registrable Common Stock as are specified in the notice to the Corporation, provided however, that the Company shall not be required to provide the holder of the Registrable Common Stock more than one (1) such demand registration.

Subject to the foregoing, the Corporation will file a Registration Statement covering the Registrable Common Stock so requested to be registered as soon as practicable, but in any event within 120 days from the receipt of the notice of the initiating holders of the Registrable Common Stock.

(c) ~~Piggy-Back Registration Rights.~~ If at any time, after the date hereof, the Corporation proposes to file a Registration Statement under the Securities Act for sale to the public, any shares of a class of its equity securities, the Corporation shall:

(1) promptly give to the holder(s) of the Registrable Common Stock written notice thereof (which shall include the number shares the Company proposes to register, the estimated public offering price, the name of the managing underwriter or underwriters and the general terms and conditions of the proposed registration and sale);

(2) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Common Stock specified in a written notice provided to the Corporation by any holder(s) of Registrable Common Stock to the Corporation. Within thirty (30) days after the receipt of such notice, Corporation shall file and use its best efforts to cause the effectiveness of a Registration Statement which shall include all, but not less than all, of the shares of Registrable Common Stock;

(3) If the proposed sale is to be underwritten, the Company shall use its best efforts to cause the underwriter to underwrite the shares of Registrable Common Stock, on the same terms and conditions as any similar securities of the Corporation included therein.

(4) Notwithstanding the foregoing, (x) in the case of an underwritten offering, if the holder(s) of shares of Registrable Common Stock requests registration pursuant to this section 11,

the holder(s) of shares of Registrable Common Stock shall sell the shares to, or through the same underwriter or underwriters to which the Corporation is selling its shares on substantially the same terms; (y) If, in case of an underwritten offering, either the managing underwriter or underwriters request, in reasonable exercise of business judgement, that part or all of the shares of Registrable Common Stock for which the holder(s) or Registrable Common Stock has requested registration be excluded from the Registration Statement on the ground that the inclusion of such shares would be detrimental to the underwritten offering or the market for the Corporation's securities, such shares shall be excluded from the Registration Statement; and (z) the Corporation shall in no event be required to keep such Registration Statement effective for a period of more than 180 days following the date of its initial effectiveness, and in the event the holder(s) of the Registrable Common Stock have not sold all of its shares subject to the Option prior to the expiration of the applicable period, the holder(s) agree that the Corporation may de-register by post-effective amendment any unsold shares of the Registrable Common Stock.

(d) Registration Procedure. (1) In the case of a registration effected by the Corporation pursuant to this section 11, the Corporation shall:

(A) before filing a Registration Statement or Prospectus or any amendments or supplements thereto, furnish to the holder(s) of the Registrable Common Stock covered by such Registration Statement and the underwriters, if any, copies of all such documents proposed to be filed;

(B) prepare and file with the SEC any such amendments and post-effective amendments or supplements to the Prospectus, as may be reasonably requested by any holder(s) of Registrable Common Stock, or as may be required by the rules, regulations or instructions applicable to the

registration form utilized by the Corporation under the Securities Act or otherwise necessary to keep such Registration Statement effective for the applicable time period and cause the Prospectus so as supplemented to be filed pursuant to Rule 424 under the Securities Act; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(C) notify the selling holder(s) of the Registrable Common Stock and the managing underwriters, if any, promptly, (i) when the Prospectus or any prospectus supplement or post-effective amendment has been filed with, and with respect to the Registration Statement or any post-effective amendment, when same has become effective; (ii) of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or any additional information; (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iv) the receipt by the Corporation of any notification with respect to the suspension of the qualification of the Registrable Common Stock for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and (v) of the existence of any fact which results in the Registration Statement, the Prospectus or any document incorporated therein by reference, containing an untrue statement of material fact or omitting to state a material fact required to be stated therein or necessary to make the statements not misleading;

(D) furnish the holder(s) of the Registrable Common Stock (and any underwriter) with such legal opinions and auditors' letters, addressed to the holder(s) of the Registrable Common

Stock, as shall be furnished to the Corporation and any managing underwriter in connection with any of the securities being sold pursuant to such registration statement;

(E) provide the holder(s) of the Registrable Common Stock (and any underwriter) with such number of copies of the Registration Statement, any prospectus related thereto and such other documents as the holder(s) of the Registrable Common Stock may reasonably request;

(F) cooperate with the selling holder(s) of the Registrable Common Stock covered by the Registration Statement and managing underwriters, if any, to facilitate the timely preparation and delivery of the certificates representing Registrable Common Stock to be sold and not bearing any restrictive legends and enable such Registrable Common Stock to be in such denominations and registered in such names as the managing underwriters(s) may reasonable request;

(G) cause all Registrable Common Stock covered by the Registration Statement to be listed on the securities exchange on which the Common Stock is then listed if requested by the holder(s) of a majority in number of such Registrable Shares of Common Stock or by the managing underwriters or underwriter, if any;

(H) if any fact contemplated by Section 11(d)(1)(C) above, shall exist, prepare a supplement or post-effective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Common Stock, the Prospectus will not contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(I) make reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement; and

(J) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC.

(c) Registration Expenses. All expenses incurred by the Corporation pursuant to this Section 11, including but not limited to all registration and qualification fees, printing and accounting fees and fees for legal counsel shall be borne by the Corporation.

(f) Obligations of Corporation. The Corporation shall use its best efforts to qualify the shares of Registrable Common Stock under the securities or "Blue Sky" laws of such jurisdictions as may be reasonably requested by the holder(s) of shares of Registrable Common Stock, provided however, the Corporation need not file any general consent to service of process, nor qualify to do business under the laws of any such jurisdiction in connection with such qualification unless the laws of that jurisdiction require it to do so.

(g) Indemnification. In connection with any registration or qualification of the Registrable Shares of Common Stock, to the extent permitted by law the Corporation shall indemnify and hold harmless, the holder(s) of the shares of Registrable Common Stock, each person who controls such holder(s) within the meaning of either Section 20 of the Securities Act or Section 15 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and its affiliates, and their respective agents (collectively referred to as "Indemnified Holder(s)"), according to ordinary and customary procedures then in effect for such indemnification, against any losses, claims, damages, expenses or liabilities (collectively "Losses"), to which the holder(s) of Registrable Common Stock and/or any such individuals may become subject under federal or state securities law, insofar as such Losses arise out of, or are based upon any untrue statement of material fact contained in any Registration Statement, Prospectus, or any amendment or supplement thereto,



filed pursuant to this section 11, or in any preliminary prospectus, final prospectus or amended prospectus, or arise out of, or are based upon the omission to state therein any material fact required to be stated therein or necessary in order to make the statements therein not misleading, unless such untrue statement or omission was made in reliance upon, or in conformity with information furnished to the Corporation by the holder(s) of Registrable Common Stock specifically for use in such Registration Statement, Prospectus, or any amendment or supplement thereto.

If any action or proceeding (including any governmental investigation or inquiry) shall be brought or asserted against an Indemnified Holder(s) in respect of which indemnity may be sought from the Corporation, such Indemnified Holder(s) shall promptly notify the Corporation in writing and the Corporation shall assume the defense thereof, including the employment of counsel. The Indemnified Holder(s) shall have the right to employ separate counsel and participate in the defense thereof, but the fees and expenses of such counsel shall be the expense of the Indemnified Holder(s) unless (i) the Corporation has agreed to pay such fees and expenses or (ii) the Corporation shall have failed to assume the defense of such action or proceeding or (iii) the named parties to any such action include both the such Indemnified Holder(s) and the Corporation, and such Indemnified Holder(s) has been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential material differing interests between them (in which case the Indemnified Holder(s) notifies the Corporation in writing that it elects to employ separate counsel at the expense of the Corporation, the Corporation shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnified Holder(s)). The corporation shall not be liable for any settlement of any action or proceeding effected without

its written consent.

The holder(s) of the Registrable Common Stock shall indemnify the Company for any losses which may be incurred under any federal or state securities law for any misstatement or omission to state, a material fact which was provided to the Company by the holder(s) of Registrable Common Stock specifically for its inclusion in any Registration Statement, Prospectus, filed pursuant to this section 11, and any amendments or supplements thereto.

12. Option to Purchase Common Stock.

Upon the redemption of the Class A Preferred Stock shares as set forth in paragraph 5 above, the holder(s) of the Class A Preferred Stock shares so redeemed by the Corporation shall be entitled to purchase shares of the Common Stock of the Corporation at a price per share of the lower of (i) 100% of the average of the fully diluted book value per share of the Common Stock over the previous four (4) quarters (the "Option"), prior to the exercise of the Option or (ii) \$2.00 per share. The Option shall become exercisable with respect of, and as to 14.7 shares of Common Stock for each one (1) share of Class A Preferred Stock, so redeemed in accordance with the provisions of section 5 above. The Option shall become exercisable with respect of, and as to 18,000 shares of Class A Preferred Stock redeemed in accordance with Section 5 above, and no more. Nothing in this paragraph 12, shall be construed to prohibit or limit the holder(s) of the Class A Preferred Stock from purchasing from the Corporation and the Corporation from selling to the holder(s) of the Class A Preferred Stock, shares of Common Stock outside of the provisions of, and not contemplated by the provisions of the Option. The Option set forth herein shall expire ten (10) years from the date hereof.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be signed as of

this 21<sup>st</sup> day of August, 1996,

FGT ENGENYOUS, INC.

By: Clyde Smyth  
Clyde Smyth, President

Attest:

By: Maribel Fernandez  
Secretary

State of Florida  
County of Dade

Before me personally appeared Clyde Smyth, who being first and duly sworn, declared that he signed the foregoing Certificate of Powers, Designations, Preferences and Rights of the Class A Cumulative Participating Preferred Stock, Par Value \$1.00 per share, as President of FGT ENGENYOUS, CORP., and the statements therein contained are true and correct.

Maribel Fernandez  
Notary Public State of Florida  
at Large

My commission expires:

