

GB 5/6/96

Corporate Records Bureau
April 22, 1996
Page 2

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RECEIVED
FBI NEW YORK
APR 29 1996

Thank you for your attention to this matter.

With best personal regards,

Sincerely,


Charles P. Sacher

CPS:kfp
Enclosures

cc: Mr. Ray Sumon
Barry Michael Levine, Esquire
John Patrick Joy, Esquire

EFFECTIVE DATE
April 22, 1996

05 APR 89 11 00 AM

ARTICLES OF INCORPORATION
OF
R & M VIDEOS, INC.

FILED IN 11000

PREAMBLE

We, the undersigned, do hereby associate ourselves under the following Articles, for the purpose of forming a corporation under the laws of the State of Florida.

ARTICLE I

NAME

EFFECTIVE DATE
April 22, 1986

The name of the Corporation shall be:

R & M VIDEOS, INC.

ARTICLE II

PRINCIPAL OFFICE

The principal office of the Corporation shall be:

1540 N. Powerline Road
Pompano Beach, Florida 33069

ARTICLE III

GENERAL NATURE OF BUSINESS

The general nature of the business to be transacted by this Corporation is:

(1) To engage in every phase of the business of renting and selling video and audio tapes, compact discs and any other form of video or audio reproductions, directly or through licensees, agents or other representatives.

(2) Engaging in any activity or business permitted under the laws of the United States and the State of Florida.

ARTICLE IV

CORPORATE POWERS

This Corporation shall have all powers now and hereafter granted corporations for profit under the laws of the State of Florida, including the Emergency Powers included in §607.0303, Florida Statutes.

ARTICLE V

CAPITAL STOCK

(1) This corporation shall be authorized to have outstanding at any time a maximum of 6,000 shares of stock of the par value of \$1.00.

(2) Shares of stock may be issued in consideration of the payment of the entire purchase price or only part of the purchase price, as may be determined by the Board of Directors which payment may be made in cash, property, or in services. Shares issued in consideration of the payment of only part of the purchase price:

(a) Shall be subject to calls thereon, in amounts and at such times as the Board of Directors may determine until the whole thereof shall have been paid; and

(b) Shall participate in dividends upon the basis of the amount actually paid on the respective shares; and

(c) Certificates issued therefor shall bear endorsement as to the actual amount paid thereon.

(3) No stock in this corporation shall be sold or transferred other than by operation of law, unless and until the record owner thereof shall have given written notice, by certified mail, to the corporation at its principal office, setting forth a desire to sell such stock, together with the price, terms and conditions upon which said stock shall be offered for sale. The corporation, if it elects, or its stockholders, if it shall not elect, shall have an exclusive right to purchase said stock at the price and upon the terms and conditions set forth in said notice at any time within thirty (30) days of the corporation's receipt thereof. Upon failure of the corporation or its stockholders to exercise such rights within such thirty (30) day period, said stock may be

offered for sale to others, but only at the price and upon the terms and conditions stated in said notice.

(4) Anything to the contrary notwithstanding, the original subscribers hereto shall, prior to issue of certificates therefor, have the right to assign their stock subscriptions without regard to the limitations on stock transfers contained in Section (3) above.

ARTICLE VI

REQUIRED CAPITAL

This corporation shall begin business with a capital of not less than Five Hundred (\$500.00) Dollars.

ARTICLE VII

TERM OF EXISTENCE

This corporation shall exist perpetually.

ARTICLE VIII

DIRECTORS

(1) The business of this corporation shall be conducted by a Board of Directors consisting of two (2) or more Directors, who shall be elected in accordance with the By-Laws.

(2) Members of the Board of Directors or an Executive Committee of such Board will be deemed present and may conduct business at any meeting of such Board or Committee by means of a conference telephone or similar communication equipment if used so that all persons participating in the meeting can hear each other.

(3) The name and street address of the members of the first Board of Directors of this corporation, who shall hold office for the first year of its existence or until their successors are elected and qualified are as follows:

NAME

ADDRESS

Ray Sumon

6323 N.W. 26th Terrace
Boca Raton, FL 33496

Mike Sumon

1540 N. Powerline Road
Pompano Beach, FL 33069

ARTICLE IX

STREET ADDRESS AND DESIGNATION OF REGISTERED AGENT

That, R & M VIDEOS, INC., desiring to organize under the laws of the State of Florida has designated its initial registered office as 2 South Biscayne Boulevard, 25th Floor, Miami, Dade County, Florida, and has named John P. Joy as its initial Registered Agent who is located at such address.

ARTICLE X

SUBSCRIBERS

The names and residence addresses of the Subscribers to these Articles of Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Charles P. Sacher	2655 LeJeune Road, Suite 1101 Coral Gables, FL 33134

ARTICLE XI

SCOPE OF ARTICLES

The provisions of these Articles, and amendments thereto, and each and every Article and Section thereof, and the provisions of the By-Laws and amendments thereof, shall be considered a part of every contract and transaction to which this corporation shall be a party. Every person, association and/or corporation dealing with this corporation is hereby charged with notice and knowledge of the powers and limitations of powers of this corporation.

ARTICLE XII

COMMENCEMENT OF CORPORATE EXISTENCE

In accordance with the provisions of §607.0203, the effective date of incorporation is specified to be the 22nd day of April,

1996, so long as these Articles are filed with the Secretary of State within five (5) business days of this date.

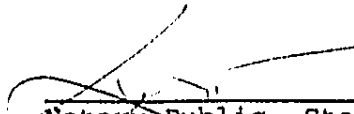
WITNESS my hand and seal this 22nd day of April, 1996.


CHARLES P. SACHTER

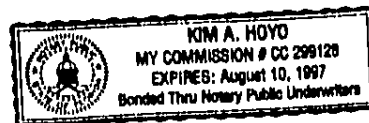
STATE OF FLORIDA)
COUNTY OF DADE) SS:

BEFORE ME, the undersigned authority, personally appeared CHARLES P. SACHTER, to me well known to be the person described in and who executed and subscribed to the foregoing Articles of Incorporation, and he acknowledged before me that he executed and subscribed the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Coral Gables, in said County and State, this 22nd day of April, 1996.


Notary Public, State of Florida
at Large

My commission expires:



1911. 11. 1. 10. 40. 10. 40. 10. 40.

1911. 11. 1. 10. 40. 10. 40. 10. 40.

Registered Agent (SEAL)

1201 HAYS STREET
TALLAHASSEE, FL 32301-2607

800-342-8086

P96000038550



ACCOUNT NO. : 072100000032

REFERENCE : 198483 4132B

AUTHORIZATION : *Patricia Pijet*

COST LIMIT : \$ 175.00

FILED
56 DEC 23 PM 3:37
TALLAHASSEE, FLORIDA

ORDER DATE : December 23, 1996

ORDER TIME : 9:11 AM

ORDER NO. : 198483-005

CUSTOMER NO: 4132B

CUSTOMER: Charles S. Sacher, Esq
Walton Lantaff Schroeder &
2655 Lejeune Road, Suite 1101

Coral Gables, FL 33134

EFFECTIVE DATE
1-1-97

8-8055030200000000

ARTICLES OF MERGER

FLORIDA ENTERPRISES, INC.
D/B/A VIDEO AVE., INC.

INTO

VIDEO AVENUE ENTERTAINMENT,
INC.

EFFECTIVE DATE: JANUARY 1, 1997

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX (2) CERTIFIED COPY
PLAIN STAMPED COPY

M. HENDRICKS DEC. 23 1996

CONTACT PERSON: Michael E. Klunk

EXAMINER'S INITIALS: _____

RECEIVED
DEC 23 1996
TALLAHASSEE, FLORIDA

WALTON LANTAFF SCHROEDER & CARSON

ATTORNEYS AT LAW

(A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS)
MIAMI • CORAL GABLES • FORT LAUDERDALE • WEST PALM BEACH

SUITE 1101 OABLES INTERNATIONAL PLAZA
2555 LEJUNE ROAD
CORAL GABLES, FLORIDA 33134

TELEPHONE (305) 379-6411
FACSIMILE (305) 446-9206

December 20, 1996

CHARLES P. BACHER, P.A.
MICHAEL R. JENKS, P.A.
DAVID A. THARP, P.A.
WAYNE T. GILL, P.A.
NICHOLAS E. CHRISTIN, P.A.
RICHARD M. COLE, P.A.
STEPHEN W. BAZINSKY
CHARLES B. MIRMAN, P.A.
JONATHAN J. DAVIS
BERNARD I. FROST
LAWRENCE D. SMITH
JOHN P. JOY
JOHN W. McLUSKEY
GREGORY J. WILLIS
BETH J. LEAHY
ROBERTA J. KARP
JOHN O. WHITE, III
G. BART BILSBROUGH
ROBERT J. STRUNIN
DEBORAH POORE KNIGHT
RICHARD G. ROSENBLUM
HENRY SUAREZ
DAVID M. McDONALD
MICHAEL W. BAKER
ROBERT L. TEITLER
GREGORY T. MARTINI
ROBERT M. DONLON
GEOFFREY B. MARKS
ALLISON CHITTEM HARTNETT
JULIEAN RICE-CHAROUBIS
GENE P. KISSANE

PAUL B. MARTIN
AMY L. SMITH
FRANK J. TADDEO
SCOTT A. COLE
WILLIAM O. HERBMAN
LAWRENCE D. KING
CHARLES B. BACHER
GEORGE W. BUSH, JR.
KURT A. WYLAND
RIP O. LABBNER
NANCY C. VALCANCK
DAVID B. TADROS
JOSEPH W. CINNEY
RHETT P. DOVE, III
KENNETH L. VALENTINI
RUSSELL A. DOHAN
STEVEN E. POON
ELLEN B. MALABRY
WARREN BROVIN
CARLOS M. MARTINEZ, JR.
DANIEL A. SHAPIRO
DREGO N. MARGRE
STEVEN C. BENSA
WEBBEE S. ANCIOLA
KENNETH D. LEMOINE
ALICIA M. SANTANA
JONOE A. MESTRE
STUART J. HAFT
ANNE E. ZIMET
DENYSE M. NELSON

OF COUNSEL
SAMUEL O. CARSON
WILLIAM J. GRAY
MARTIN E. SEGAL, P.A.
ROBERT S. COLE

MILLER WALTON (1901-1987)
WILLIAM C. LANTAFF (1913-1970)
LAURENCE A. SCHROEDER (1907-1988)

Corporate Records Bureau
Division of Corporations
409 East Gaines Street
Tallahassee, Florida 32314

Re: Florida Enterprises, Inc. d/b/a Video Ave.,
Inc., a Michigan corporation qualified to do
business in the State of Florida
Corporate Document # F95000004473
R & M Videos, Inc.
Corporate Document # P96000038550
Articles of Merger
Our File No. 3726

Dear Sir or Madam:

In my capacity as counsel for the two above-referenced corporations, I file Articles of Merger with a related Plan of Merger and Reorganization with an effective date of January 1, 1997. (The effective date is noted on page 3 of Exhibit A.)

As a result of this merger, Florida Enterprises, Inc. d/b/a Video Ave., a Michigan corporation will merge into R & M Videos, Inc., a Florida Corporation. As a result of this merger, R & M Videos, Inc. will be the surviving corporation and will hereinafter be known as Video Avenue Entertainment, Inc.

Please accept these Articles of Merger for filing.

Should you have any questions regarding this matter, please do not hesitate to contact the undersigned.

.. Corporate Records Bureau
December 20, 1996
Page 2

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Charles S. Sacher", with a stylized, flowing script.

Charles S. Sacher

CSS:rbm
Enclosure

cc: Mr. Ray Sumon
Mr. Richard Longstreth
John P. Joy, Esquire

**ARTICLES OF MERGER
Merger Sheet**

.....
MERGING:

**FLORIDA ENTERPRISES, INC. transacting business in Florida as VIDEO AVE.,
INC., A MICHIGAN CORPORATION, F95000004473.**

INTO

R & M VIDEOS, INC. which changed its name to

**VIDEO AVENUE ENTERTAINMENT, INC., a Florida corporation,
P96000038550**

File date: December 23, 1996, effective January 1, 1997

Corporate Specialist: Nancy Hendricks

Account number: 072100000032

Account charged: 175.00

ARTICLES OF MERGER

FLORIDA ENTERPRISES, INC., d/b/a VIDEO AVE., INC., a Michigan corporation, with and into R & M VIDEOS, INC., a Florida corporation, which, as a result of the merger, will hereinafter be known as VIDEO AVENUE ENTERTAINMENT, INC.

FILED
96 DEC 23 PM 3:37
SECRETARY OF STATE
TALLAHASSEE, FLORIDA
EFFECTIVE DATE
1-1-97

Pursuant to the provisions of §607.1105 and 607.1107 of the Florida Business Corporation Act (the "Act"), the undersigned foreign and domestic corporations adopt the following Articles of Merger as of January 1, 1997, and certify as follows:

1. The names of the Corporations which are parties to the merger contemplated by these Articles of Merger (the "Merger") are FLORIDA ENTERPRISES, INC., d/b/a VIDEO AVE., INC., a Michigan corporation, and R & M VIDEOS, INC., a Florida corporation. R & M VIDEOS, INC. is the surviving corporation in the Merger and will hereinafter be known as VIDEO AVENUE ENTERTAINMENT, INC.

2. The laws of the State of Michigan under which FLORIDA ENTERPRISES, INC. is organized permit merger.

3. R & M VIDEOS, INC., which will hereinafter be known as VIDEO AVENUE ENTERTAINMENT, INC., will be the surviving corporation and is to be governed by the laws of the State of Florida.

4. The principal office of VIDEO AVENUE ENTERTAINMENT, INC. shall be 1520 S. Powerline Road, Suite F, Deerfield Beach, Florida 33442.

5. A copy of the Plan of Merger, attached hereto as **Exhibit "A"** and incorporated herein by reference as if fully set forth herein was approved by the Shareholders of the undersigned domestic corporation in the manner prescribed by the Florida Business

Corporation Act and was approved by the undersigned foreign Michigan corporation in the manner prescribed by the laws of the State of Michigan under which it is organized.

6. The Plan of Merger was approved by the Board of Directors and Shareholders of each corporation on December 10, 1996.

7. The effective date of the merger shall be January 1, 1997, in accordance with §607.1101 of the Act.

IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed as of the date first above written.

FLORIDA ENTERPRISES, INC.,
d/b/a VIDEO AVE., INC., a
Michigan corporation

By _____
President

(Corporate Seal)

Attest:

Secretary

R & M VIDEOS, INC., a Florida
corporation

By _____
President

(Corporate Seal)

Attest:

Secretary

PLAN OF MERGER AND REORGANIZATION

THIS PLAN OF MERGER AND REORGANIZATION ("Plan") is entered into as of January 1, 1997, among FLORIDA ENTERPRISES, INC., d/b/a VIDEO AVE., INC., a Michigan corporation ("MICHIGAN CORPORATION") and R & M VIDEOS, INC., a Florida corporation ("FLORIDA CORPORATION").

R E C I T A L S :

The Board of Directors and Shareholders of MICHIGAN CORPORATION and FLORIDA CORPORATION have determined that it is advisable and in the best interests of each corporation and its respective Shareholders that MICHIGAN CORPORATION be merged (the "Merger") with and into FLORIDA CORPORATION on the terms and subject to the conditions set forth herein.

ARTICLE I

THE MERGER

At the Effective Time (as defined in Article V hereof), MICHIGAN CORPORATION shall be merged with and into FLORIDA CORPORATION in accordance with the Florida Business Corporation Act (the "FBCA") and the separate existence of MICHIGAN CORPORATION shall cease and FLORIDA CORPORATION, which shall hereinafter be known as VIDEO AVENUE ENTERTAINMENT, INC., shall thereafter continue as the surviving corporation (the "Surviving Corporation") under the laws of the State of Florida.

Exhibit A

ARTICLE II

SURVIVING CORPORATION

(A) At the Effective Time, the Articles of Incorporation of FLORIDA CORPORATION as in effect immediately prior to the Effective Time shall be amended to change the name of FLORIDA CORPORATION to VIDEO AVENUE ENTERTAINMENT, INC., and its principal office to 1520 S. Powerline Road, Suite F, Deerfield Beach, Florida 33442, but other than as specifically set forth herein, the Articles of Incorporation of the Surviving Corporation shall be identical to the Articles of Incorporation previously filed for FLORIDA CORPORATION.

(B) At the Effective Time, the By-Laws of FLORIDA CORPORATION, as in effect immediately prior to the Effective Time, shall be the By-Laws of the Surviving Corporation, until thereafter altered, amended or repealed in accordance with the FBCA and the Articles of Incorporation and By-Laws of the Surviving Corporation.

(C) At the Effective Time, the officers and directors of FLORIDA CORPORATION shall be the officers and directors of the Surviving Corporation until their successors are elected and have qualified.

ARTICLE III

CONVERSION OF SHARES

The manner and basis of converting shares of MICHIGAN CORPORATION into shares of the Surviving Corporation is as follows:

(A) Each one (1) share of the \$1.00 par value common stock of MICHIGAN CORPORATION issued and outstanding on the effective date of the merger shall be converted into one (1) share of \$1.00 par

value common stock of Surviving Corporation, which shares of common stock of the Surviving Corporation shall be issued and outstanding. However, in no event shall fractional shares of the Surviving Corporation be issued.

(B) The conversion shall be effected as follows: After the effective date of the Merger, each holder of certificates of shares of common stock in MICHIGAN CORPORATION shall surrender them to the Surviving Corporation or its duly appointed agent in the manner that Surviving Corporation shall legally require. Upon receipt of the share certificates, the Surviving Corporation shall issue and exchange certificates for the shares of common stock in the Surviving Corporation, representing the number of shares of stock to which the holder is entitled as provided above.

ARTICLE IV

EFFECT OF MERGER

At the Effective Time, all property, rights, privileges, powers and franchises of MICHIGAN CORPORATION and FLORIDA CORPORATION shall vest in the Surviving Corporation, and all liabilities and obligations of MICHIGAN CORPORATION and FLORIDA CORPORATION shall become liabilities and obligations of the Surviving Corporation.

ARTICLE V

EFFECTIVE TIME

As used in this Agreement, the term "Effective Time" shall mean January 1, 1997.

IN WITNESS WHEREOF, each of the parties have caused this Plan
to be executed on its behalf as of the date first above written.

FLORIDA ENTERPRISES, INC.,
d/b/a VIDEO AVE., INC., a
Michigan corporation

By [Signature]
President

(Corporate Seal)

Attest:

X [Signature]
Secretary

R & M VIDEOS, INC., a Florida
corporation

By [Signature]
President

(Corporate Seal)

Attest:

X [Signature]
Secretary