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MEMBER OF FLORIDA
AND D.C. BARS

FED. I.D. # 59-3436548

August 25, 1998

Department of State
State of Florida
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

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Re: Articles of Amendment to Articles of Incorporation of International Leisure Corporation

Dear Ladies:

Enclosed you will find two duplicate original Articles of Amendment to Articles of Incorporation of International Leisure Corporation. Please file these Articles of Amendment with your office and once filed please return a certified copy of the Articles to me using the enclosed stamped self addressed envelope. I am enclosing my check in the amount of \$87.50 to cover the cost of the filing fees (\$35.00) and the certified copy (\$52.50).

Yours very truly,

Lawrence H. Katz

Lawrence H. Katz

signed in his absence by

LHK/rb

Enclosures

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Amend.

FILED
98 AUG 27 PM 5:38
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

VS SEP 04 1998

**ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF**

FILED
98 AUG 27 PM 5: 38
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

INTERNATIONAL LEISURE CORPORATION

The following resolution was duly adopted by the Board of Directors of International Leisure Corporation, a Florida Corporation (the "Corporation"), pursuant to provisions of Florida Statute 607.0602(4) on July 22nd, 1998.

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Corporation by Article III of the Corporation's Articles of Incorporation, as amended, and pursuant to the provisions of F.S. 607.0602(4), a Class of Preferred Stock of the Corporation be, and it hereby is, created out of the authorized but unissued shares of the capital stock of the Corporation, such class to be designated Class "A" Preferred Stock (the "Preferred Stock"), to consist of 186,000 shares, no par value, of which the preferences, limitations, and relative rights shall be (in addition to those set forth in the Corporation's Articles of Incorporation, as amended) as follows:

1. Certain Definitions. Unless the context otherwise requires, the terms defined in this Paragraph 1., shall have, for all purposes of this resolution, the meanings herein specified.

1.1. Automatic Conversion Date. The term "Automatic Conversion Date" shall have the meaning set forth in Paragraph 4., below.

1.2. Common Stock. The term "Common Stock" shall mean all shares now or hereafter authorized of the Corporation's presently authorized class of Common Stock, par value \$.000001 per share, which has the right (subject always to prior rights of any class or series of Preferred Stock) to participate in the distribution of the assets and earnings of the Corporation without limit as to the per share amount.

1.3. Effective Date. The term "Effective Date" shall mean the effective date of the filing of these Articles of Amendment to Articles of Incorporation with the Secretary of State of the State of Florida.

1.4. Issue Date. The term "Issue Date" shall mean, as to any share of Preferred Stock, the date such share is issued by the Corporation to any holder thereof.

1.5. Junior Stock. The term "Junior Stock" shall mean any class or series of stock (including Common Stock) of the Corporation not entitled to receive any dividends in any dividend period unless all dividends, if any, required to have been paid or declared and set apart for payment on this Class "A" Preferred Stock shall have been so paid or declared and set apart for payment, and not entitled to receive any assets upon liquidation, dissolution or winding up of the affairs of the Corporation until all Class "A" Preferred Stock shall have received the entire amount to which such Preferred Stock is entitled upon such liquidation, dissolution or winding up.

1.6. Optional Conversion Date. The term "Optional Conversion Date" shall have the meaning set forth in Paragraph 4., below.

1.7. Parity Stock. The term "Parity Stock" shall mean any class or series of stock of the Corporation entitled to receive payment of dividends, if any, on a parity basis with this Class "A" Preferred Stock or entitled to receive assets upon liquidation, dissolution or winding up of the affairs of the Corporation on a parity basis with this Class "A" Preferred Stock.

1.8. Senior Stock. The term "Senior Stock" shall mean any class or Series of stock of the Corporation authorized by the Board of Directors ranking senior to this Class "A" Preferred Stock in respect to the right to receive dividends or in respect of the right to receive assets upon liquidation, dissolution or wind up of the affairs of the Corporation.

1.9. Stated Value. The Stated Value of each share of this Class "A" Preferred Stock shall be \$5.00.

2. Dividends. No dividends shall be paid on the Class "A" Preferred Stock.

3. Distributions Upon Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or other winding up of the affairs of the Corporation, before any distribution or payment shall be made to the holders of Junior Stock, but after distribution to Senior Stock, the holders of the Class "A" Preferred Stock shall be entitled to be paid the Stated Value per share with respect to all outstanding Class "A" Preferred Stock owned by them. Such amount shall be paid in cash or in property taken at its fair value, or both, at the election of the Board of Directors. If such payment shall have been made in full to the holders of the Class "A" Preferred Stock and to the holders of any other Senior Stock or Parity Stock, the remaining assets and funds of the Corporation shall be distributed among the holders of Junior Stock, according to their respective shares. If, upon any such liquidation, dissolution or other winding up of the affairs of the Corporation, the net assets

of the Corporation distributable among the holders of all outstanding shares of the Class "A" Preferred Stock and holders of all outstanding shares of Parity Stock shall be insufficient to permit the payment in full to such holder of the preferential amounts to which they are entitled, then the remaining assets of the Corporation shall be distributed pro-rata among the holders of all outstanding shares of the Class "A" Preferred Stock, and the holders of all outstanding shares of Parity Stock ratably in proportion to the full amounts to which they would otherwise respectively be entitled.

4. Conversion Rights.

4.1. Optional Conversion. A holder of shares of Class "A" Preferred Stock may convert all or part of such shares into shares of the Common Stock of the Corporation at any time beginning two years after the date of issuance upon complying with the provisions of this Paragraph 4., the date of conversion hereunder being the Optional Conversion Date. If not previously converted by the holders, all shares of Class "A" Preferred Stock may be converted by the holders thereof to shares of Common Stock of the Corporation within thirty (30) days of the Corporation notifying the holders of the Class "A" Preferred Stock of its intent to redeem all or a portion of the same for its Stated Value.

4.2. Automatic Conversion. If Holder is notified by the Corporation that the Underwriter of the Corporation's public offering of its equity securities requires conversion then all shares of Class "A" Preferred Stock shall automatically convert to the Corporation's common stock as of the date immediately prior to the effective date of such public offering. Such date is referred to herein as the "Automatic Conversion Date". The Corporation shall give holders of Class "A" Preferred Stock prior written notice of the public offering of its equity securities and the Class "A" Preferred Stock's conversion into the Company's Common Stock.

4.3. Conversion Procedure. In all cases of optional conversion of shares of Preferred Stock into shares of Common Stock, the number of shares of Common Stock to be issued in exchange for Class "A" Preferred Stock shall be determined based upon the stated value of the Class "A" Preferred Stock and the average closing bid price for the Corporation's shares of Common Stock on any securities exchange over the ten (10) trading days prior to the conversion date. For example, if the average bid price for the Corporation's shares of Common Stock for ten (10) trading days prior to the conversion date is \$1.00 per share, then each share of Class "A" Preferred Stock would convert into five (5) shares of the Corporation's Common Stock; and if the said closing average bid price is \$5.00 per share, then each share of Class "A" Preferred Stock would

convert into one (1) share of the Corporation's Common Stock. In the case of automatic conversion, the number of shares of Common Stock to be issued in exchange for shares of Class "A" Preferred Stock shall be determined based upon the stated value of the Preferred Shares and an amount equal to eighty percent (80.0%) of the per share initial public offering price of the Corporation's equity securities. For example, if the per share initial public offering price for the Corporation's equity securities is \$6.25 then each share of Class "A" Preferred Stock would convert into one share of the Corporation's Common Stock.

4.4. Delivery of Shares. The Corporation shall not be obligated to issue to any holder of shares of Class "A" Preferred Stock certificates evidencing the shares of Common Stock issuable upon any conversion unless certificates evidencing the shares of Class "A" Preferred Stock are delivered to the Corporation or its transfer agent, or unless such holder provides to the Corporation or its transfer agent reasonable assurances as to the loss, theft, or destruction of such certificates and agrees with respect thereto to indemnify the Corporation and its transfer agent and, if requested, provides such bond as reasonably may be requested by the Corporation and its transfer agent. The holder of any shares of Class "A" Preferred Stock exercising Optional Conversion Rights described above may exercise such conversion rights by (i) delivering to the Corporation a conversion notice in writing setting forth the number of shares of Class "A" Preferred Stock to be converted, (ii) surrendering to the Corporation or its transfer agent the certificate or certificates for the shares of Class "A" Preferred Stock to be converted, and (iii) furnishing appropriate endorsements and other transfer documents required by the Corporation or its transfer agent. Upon a holder of shares of Class "A" Preferred Stock receiving of a notice of automatic conversion under Subparagraph 4.2., above, the holder shall deliver to the Corporation or its transfer agent the same documents as provided hereinabove in the case of the exercise of Optional Conversion Rights; provided, that upon the Automatic Conversion Date, for all purposes the Corporation shall consider the shares of Class "A" Preferred Stock outstanding, cancelled and the appropriate number of additional shares of the Corporation's Common Stock issued to the holders of such Preferred Stock. The person in whose name the certificate or certificates for Common Stock are to be issued shall be deemed to have become a holder of record of such Common Stock on the applicable conversion date. Upon a surrender of shares of Class "A" Preferred Stock that are converted in part, the Corporation or its transfer agent shall issue to the holder a new certificate representing the unconverted portion of the shares of Class "A" Preferred Stock surrendered.

4.5. Fractional Interests. The Corporation will not issue fractional shares of Common Stock upon conversion of shares of Class "A" Preferred Stock. Instead the Corporation, in its discretion, may either pay a cash adjustment in respect of such fractional interest or round up to the next whole number the number of shares of Common Stock to be issued upon conversion.

4.6. Taxes. The Corporation shall pay all documentary, stamp, transfer or other transactional taxes attributable to the issuance or delivery of shares of Common Stock upon conversion of the Class "A" Preferred Stock; provided, the Corporation shall not be required to pay any other taxes which may be payable in respect of any transfer involved in the issuance or delivery of any certificate for such Common Stock or Class "A" Preferred Stock in a name other than that of the holder of the Class "A" Preferred Stock in respect of which such shares are being issued.

4.7. Reserve Shares. The Corporation shall reserve at all times so long as any Class "A" Preferred Stock remains outstanding, free from preemptive rights, out of either or both of its treasury stock or its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the Class "A" Preferred Stock, sufficient shares of Common Stock to provide for the conversion of all outstanding Class "A" Preferred Stock.

4.8. Government Approvals. If any shares of Common Stock to be reserved for the purpose of Class "A" Preferred Stock require registration with or approval of any governmental authority under any Federal or state law before such shares may be validly issued or delivered upon conversion, then the Corporation will in good faith and as expeditiously as possible endeavor to secure such registration or approval, as the case may be. If, and so long as, any Common Stock into which the Class "A" Preferred Stock is then convertible is listed on any national securities exchange, the Corporation will, if permitted by the rules of such exchange, list and keep listed on such exchange, upon official notice of issuance, all shares of like kind to the Common Stock issuable upon conversion.

4.9. Valid Issue. All shares of Common Stock which may be issued upon conversion of the Class "A" Preferred Stock will, upon issuance by the Corporation, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof, and the Corporation shall take no action which will cause a contrary result.

4.10. Restrictive Legend. Each certificate representing a share of

Class "A" Preferred Stock shall bear on its face a legend in substantially the following form:

"These securities have not been registered under the Federal Securities Act of 1933. They may not be sold, offered for sale, transferred, pledged or hypothecated in the absence of an effective registration statement as to the securities under the Act, or an opinion of counsel satisfactory to the Company that such registration is not required."

5. Voting Rights. Class "A" Preferred Stock shall have the same voting rights as shares of the Corporation's common shares.

6. Redemption Rights. The Corporation shall have the right to redeem the Preferred Shares for the per share Stated Value anytime after their issuance upon thirty (30) days prior written notice to the holders of the Class "A" Preferred Shares. The Corporation is not obligated to maintain a sinking fund for the purpose of redeeming the Class "A" Preferred Stock.

7. Issuance of Senior Stock. Subject to the provisions of Paragraph 9., below, the Corporation will not at anytime prior to the conversion of the Class "A" Preferred Stock issue any capital stock of any class which has superior or prior rights to the Class "A" Preferred Stock as to the distribution of assets upon the Corporation's voluntary or involuntary liquidation, dissolution or winding up.

8. Corporation's Reorganization, Consolidation or Merger. In the case of the capital reorganization or any reclassification of the Corporation's Common Stock or in the case of the Corporation's consolidation, merger, share exchange, or the conveyance of all or substantially all of the Corporation's assets to another corporation, the Stated Value of the Preferred Stock shall thereafter be adjusted so that the Preferred Stock shall be convertible into the number of shares of stock, or other securities or property, to which a holder of the number of shares of the Corporation's Common Stock deliverable upon conversion of the Preferred Stock would have been entitled upon such reorganization, reclassification, consolidation, merger, share exchange, or conveyance.

9. Two-Thirds Vote to Change Rights, Preferences and Powers. So long as any shares of Class "A" Preferred Stock are outstanding, the Corporation shall not do the following, without the affirmative vote at a meeting (the notice of which shall state the general character of the matters to be submitted

thereat), or the written consent with or without a meeting of the holders of at least sixty-six and two thirds percent (66 $\frac{2}{3}$ %) of the then outstanding shares of Class "A" Preferred Stock:

9.1. increase the authorized amount of Class "A" Preferred Stock or authorize and/or issue Senior Stock; or,

9.2. amend, alter or repeal any of the preferences, limitations, or relative rights of the outstanding Class "A" Preferred Stock fixed herein or determined by the Board of Directors for any shares of Class "A" Preferred Stock as herein authorized, so as to adversely affect the preferences, limitations or relative rights of the Class "A" Preferred Stock or its holders.

9.3. amend or repeal any of the provisions of this Paragraph 9.

10. No Preemptive Rights. No holder of the Class "A" Preferred Stock of the Corporation shall be entitled, as of right, to purchase or subscribe for any part of the unissued stock of the Corporation or of any stock of the Corporation to be issued by reason of any increase in the authorized capital stock of the Corporation, or to purchase or subscribe for any bonds, certificates of indebtedness, debentures or other securities convertible into or carrying options or warrants to purchase stock or other securities of the Corporation or to purchase or subscribe for any stock of the Corporation purchased by the Corporation or by its nominee or nominees, or to have any other preemptive rights now or hereafter defined by the laws of the State of Florida.

11. Exclusion of Other Rights. Except as may otherwise be required by law, the shares of Class "A" Preferred Stock shall not have any preferences or relative, participating, optional or other special rights, other than those specifically set forth in these Articles of Amendment to Articles of Incorporation and in the Articles of Incorporation of the Corporation, as amended.

12. Heading of Subdivisions. The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereto.

13. Severability of Provisions. If any preference, limitation, or relative right of the Class "A" Preferred Stock set forth in this resolution is invalid, unlawful or incapable of being enforced by reason of any rule or law or public policy, all other preferences, limitations, and relative rights set forth in this resolution (as so amended) which can be given effect without the invalid, unlawful or unenforceable preference, limitation or relative right shall, nevertheless, remain in full force and effect, and no preference, limitation or relative right herein set forth shall be deemed dependent upon any other such

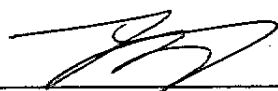
preference, limitation, or relative right unless expressly so stated herein.

14. Status of Re-acquired Shares. Shares of Class "A" Preferred Stock which have been issued and converted or re-acquired in any manner shall (upon compliance with any applicable provisions of the law of the State of Florida) have the status of authorized and unissued shares Preferred Stock issuable in class or series, but un-designated as to class or series, and may be redesignated and reissued by resolution of the Board of Directors of this Corporation.

IN WITNESS WHEREOF, INTERNATIONAL LEISURE CORPORATION, has caused these Articles of Amendment to Articles of Incorporation to be made and signed by its President and Secretary, respectively, this 5th day of July, 1998.



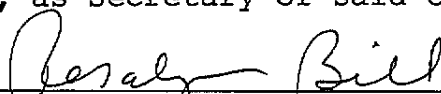
Keith St. Clair, as President



Lawrence H. Katz, as Secretary

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 5th day of August, 1998, by Keith St. Clair as President of International Leisure Corporation, a Florida Corporation, and Lawrence H. Katz, as Secretary of said Corporation.



Notary Public, State of Florida at Large



Printed Notary Signature
MY COMMISSION EXPIRES:

Personally Known X or Produced Identification _____.
Type of Identification Produced _____.

