

P98000000075

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FILED  
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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

September 3, 1999

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

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Dear Sir or Madam:

Attached please find a Certificate of Amendment to the Articles of my Corporation, KPC Group, Inc. (P98000000075) along with the required fee of \$35.00 as instructed by your helpful representative Marie Barlett.

According to Marie I may have a **Certified copy of my amended articles sent to my Texas address listed above**, and I am enclosing the additional \$8.75 as required.

I am also requesting a certificate of existence and a certificate of good standing also be sent to the Texas address, also with an additional \$8.75 enclosed.

I appreciate your help in this matter and I understand that your normal turnaround is 3 to 5 working days. If I can be of further assistance please do not hesitate to contact me at the address or number listed above.

Thank you,



Kelly V. Pulliam  
President  
KPC Group, Inc.

Amend  
9-17-99  
KVS

CERTIFICATE OF AMENDMENT

KPC Group, Inc.

**FILED**

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SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

The KPC Group, Inc., a corporation of the State of Florida, whose registered office is located at 1322 Bryn Mawr St. Orlando, Florida 32804, certifies pursuant to the provisions of state law, that at a meeting of the stockholders of said corporation called for the purpose of amending the Articles of Incorporation, and held on September 2, 1999, it was resolved by the vote of the holders of an appropriate majority of the shares of each class entitled to vote that ARTICLES THREE, SEVEN, and TEN, of the Articles of Incorporation are amended, and ARTICLES ELEVEN, TWELVE, AND THIRTEEN are added to read as follows:

ARTICLE THREE

A. The Corporation is authorized to issue two classes of shares to be designated respectively "preferred" and "common". The total number of shares which the Corporation is authorized to issue is Two Million (2,000,000) shares. The number of preferred shares authorized is one million (1,000,000) shares, and all of such shares shall be without par value. The number of common shares authorized is One Million (1,000,000) shares, and all such shares shall be without par value.

B. The preferred shares authorized by these Articles shall be issued from time to time in series. All preferred shares of each series shall be equal rank and identical except in the

particulars that may be fixed by the Board of Directors as provided in this Article. The Board of Directors is hereby authorized and required to fix, in the manner and to the full extent provided and permitted by law, all provisions of the shares of each series not otherwise set forth in these Articles and insofar as such provisions shall not be inconsistent with the provisions of this Article applicable to all series of preferred shares, including but not limited to:

1. The distinctive designation of all series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors in its resolution creating such series) or decreased (but not below the number of shares thereof then outstanding) from time to time by resolution of the Board of Directors;

2. The annual rate of dividends payable on the shares of all series, the date from which dividends shall be cumulative on all shares of all series issued prior to the record date for the first dividend on shares of such series, and the dividend rights applicable to the shares of all series;

3. The redemption price, if any, for the shares of each, any, or all series;

4. The obligation, if any, of the Corporation to maintain a sinking fund for the periodic redemption of shares of any series

and to apply the sinking fund to the redemption of such shares;

5. The amount payable on shares of each series in the event of any voluntary liquidation, dissolution, or winding up the affairs of the Corporation;

6. The rights, if any, of the holders of shares of each series to convert such shares into common shares and the terms and conditions of such conversation; and

7. Any voting rights in respect of matters other than those for which voting rights are specifically provided herein, and any other preferences, and relative, participating, optional, or other special rights, and qualifications, limitations, or restrictions thereof.

C. Pursuant to the provisions of Article (3.02) , the undersigned corporation submits the following statement for the purpose of establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof:

1. The name of the corporation is the KPC Group, Inc. ("Corporation").
2. The following resolutions, establishing and designating a series of shares and fixing and determining the relative rights and preferences thereof, were duly adopted by the Board of Directors of the Corporation as of August 26, 1999:

RESOLVED , that pursuant to the authority granted to the Board in Section B of Article III of the Articles of Incorporation of the Corporation, as amended by the attached

Articles of Amended thereto, there is hereby established a series of Preferred Stock to be titled "Series A Cumulative Convertible Preferred Stock", which shall consist of 500,000 shares of the authorized Preferred Stock of the Corporation, no par value per share ("Series A Preferred Stock"); and

RESOLVED FURTHER, that the holders of the Series A Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors, cumulative dividends declared, on the following terms:

- 1) The dividend rate ("Rate") on Series B Preferred Stock will be a rate equal to twelve percent (12%).
- 2) Such cumulative dividend will be payable annually on March 1 of each year for the period ending December 31 of the prior year. Payments will be due annually on April 1, commencing April 1, 2000.

Dividends of shares of Series A Preferred Stock shall accrue from the date of the initial issuance of Series A Preferred Stock and shall be cumulative. So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not pay or declare any cash dividends whatsoever on Common Stock or any other class or series of stock of the Corporation unless all cumulative cash dividends on the Series A Preferred Stock for all past annual dividend periods shall have been paid or declared and a sum sufficient for payment thereof set aside.

RESOLVED FURTHER, that in the event of dissolution, winding up, or liquidation of the Corporation (whether voluntary or involuntary), after payment or provisions for payment of debts, but before any distribution to the holders of common stock, the holders of the Series A Preferred Stock shall be entitled to \$1.00 per share plus an amount equal to all cumulative dividends which remain unpaid at such time; and

RESOLVED FURTHER, that the Series A Preferred Stock shall be convertible to the extent of one-hundred percent (100%) of each share (with a \$1.00 share minimum) initially issued hereunder, at the option of the holder thereof, at any time, before or after called for redemption, at the offices of the duly appointed transfer agent for the Series A Preferred Stock, if any, or at such other office as the Board of Directors of the Corporation may determine, into fully paid and non-assessable shares (calculated to the nearest 1/1000 of a share) of Common Stock of the corporation ("Common Stock") at the rate of one share of Common Stock for each share of Series A Preferred Stock submitted, subject to adjustment as herein stated; provided, however, that in the case of the redemption of any shares of

Series A Preferred Stock, such right of conversion shall cease and terminate, as to the shares called for redemption, at the close of business on the business day next preceding the date fixed for redemption, unless default shall be made in the payment of the redemption price. The rate at which shares of Common Stock shall be deliverable in exchange for shares of Series A Preferred Stock upon conversion thereof is hereinafter referred to as the "conversion rate" for the Series A Preferred Stock.

Before any holder of Series A Preferred Stock shall be entitled to convert the same into Common Stock, he shall surrender the certificate or certificates for such Series A Preferred Stock at the office appointed aforesaid, which certificate or certificates, if the Corporation shall so request, shall be fully endorsed to the Corporation or in blank, or accompanied by proper instruments of transfer to the Corporation or in blank, and shall give written notice to the Corporation that he elects so to convert a portion of his Series A Preferred Stock, and shall state in writing therein the name or names in which he wishes to certificate or certificates for Common Stock and remaining Series A Preferred Stock to be issued.

The Corporation will, as soon as practicable after such surrender of certificates for Series A Preferred Stock accompanied by the written notice and the statement above prescribed, issue and deliver at the office appointed as aforesaid, to the person for whose account such Series A Preferred Stock was so surrendered, or to his nominee or nominees, certificates for the number of full shares of common Stock and remaining series A Preferred Stock to which he shall be entitled as aforesaid. At its election, the Corporation may issue cash for fractional shares of \$1.00 per whole share of Common Stock. Subject to the following provisions of this paragraph, such conversion shall be deemed to have been made as of the date of such surrender of the Series A Preferred Stock to be converted, and the persons entitled to receive the Common Stock and the remaining Series A Preferred Stock issuable upon conversion of such Series A Preferred Stock shall be treated for all purposes as the record holder or holders of such Common Stock and remaining Series A Preferred Stock on such date. The Corporation shall not be required to convert, and no surrender of Series A Preferred Stock shall be effective for that purpose, while the stock transfer books of the Corporation are closed for any purpose; but the surrender of the Series A Preferred Stock for conversion during any period while such books are so closed shall become effective for conversion immediately upon the reopening of such books, as if the conversion had been on the date of such Series A Preferred Stock was surrendered and at the conversion rate in effect at the date of such surrender.

Notwithstanding anything herein to the contrary, Series A

Preferred Stock shall only be convertible upon the fulfillment of each of the following conditions:

- (a) No shares of Series A Preferred Stock shall be convertible prior to August 26, 2004.
- (b) At such time when the Corporation has at least 500,000 shares of its Common Stock publicly traded on a national exchange or the NASDAQ and has conducted a registered public offering at which at least \$4,000,000 of new shares of Common Stock were sold;
- (c) The holder has effected all legally required approvals for it to acquire such shares.

The conversion ratio for Series A Preferred Stock shall be subject to adjustment from time to time as follows:

- (1) If the corporation shall at any time pay a dividend on Common Stock in Common Stock, subdivide its outstanding shares of Common Stock into large number of shares or combine its outstanding shares of Common Stock into a smaller number of shares, the conversion rate in effect immediately prior thereto shall be adjusted so that each share of Series A Preferred Stock shall thereafter be convertible into the number of shares of Common Stock which the holder of such shares of Series A Preferred Stock would have been entitled to receive after the happening of any of the events described above had such shares been converted immediately prior to the happening of such event. An adjustment made pursuant to this subparagraph (1) shall become effective retroactively to the record date in the case of a dividend and shall become effective on the effective date in the case of a subdivision or combination.
- (2) If the Corporation shall, after January 1, 2000, issue rights or warranties to all holders of shares of Common Stock for the purpose of entitling them to subscribe for or purchase shares of Common Stock, then in each such case, unless the holders of shares of the Series A Preferred Stock shall be permitted to subscribe for or purchase shares of Common Stock on the same basis as though such shares of series A Preferred Stock had been convertible into shares of Common Stock immediately prior to such record date, the number of shares of Common Stock into which each

share of Series A Preferred shall thereafter be convertible shall be adjusted so that such shares of Series A Preferred Stock are convertible into a number of shares of Common Stock proportionately equal to the percentage of shares of all Common Stock outstanding into which such shares of Preferred Stock were convertible prior to such event. Such adjustment shall become effective retroactively immediately after such record date.

(3) If the Corporation shall distribute to all holders of shares of Common Stock any assets (other than any dividend payable solely in cash), any rights to subscribe (other than those referred to in subparagraph (2) above) or any evidence of indebtedness or other securities of the Corporation (other than Common Stock), then the Series A Preferred Stock shall be entitled to participate therein on the same basis as if such shares of Series A Preferred Stock had been converted immediately prior to the happening of any such event.

(4) In the case of any capital reorganization or any reclassification or any reclassification of the capital stock of the Corporation or in case of consolidation or merger of the Corporation with another corporation or in the case of any sale or conveyance of all or substantially all of the property of the Corporation, each share of Series A Preferred Stock shall thereafter be convertible into the number of shares of stock or other securities or property receivable upon such capital stock, consolidated merger, sale or conveyance, as the case may be, by a holder of the number of shares of Common Stock into such share of Series A Preferred Stock was convertible immediately prior to such capital reorganization, reclassification of capital stock, consolidation, merger, sale or conveyance; and, in any case, appropriate adjustment (as determined by the Board of Directors) shall be made in the application of the provisions herein set forth with to rights and interests thereafter of the holders of Series A Preferred Stock to the end that the provision set forth herein (including the specified changes in and other adjustments of the conversion rate) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other securities or other property thereafter deliverable upon the conversion



of the Series A Preferred Stock.

- (5) The Corporation may make such increase in the conversion rate, so as to increase the number of shares of common Stock into which the Series A Preferred Stock may be converted, in addition to those required by subparagraph (1), (2), (3) and (4) above, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipients.
- (6) Whenever the conversion rate is adjusted as herein provided, the Corporation shall forthwith file with any transfer agent for the Series A Preferred Stock appointed as aforesaid a certificate, signed by the President or one of the Vice Presidents of the Corporation and by its Treasurer or an assistant Treasurer, stating the adjusted conversion rate determined as provided in this paragraph. Such certificate shall show in detail the facts requiring such adjustment. Whenever the conversion rate is adjusted, the Corporation will forthwith cause a notice stating the adjustment and the conversion rate as adjusted to be mailed to the respective holders of Series A Preferred Stock. Such transfer agent shall be under no duty to make any inquiry or investigation as to the statements contained in any such certificate or as to the manner in which any computation was made, but may accept such certificate as conclusive evidence of the statements therein contained, and such transfer agent shall be fully protected with respect to any and all acts done or action taken or suffered by it in reliance thereon. No transfer agent in its capacity as transfer agent shall be deemed to have any knowledge with respect to any change of capital structure of the Corporation unless and until it receives a notice thereof pursuant to the provisions of this subparagraph (6) and in default of any such notice such transfer agent may conclusively assume that there has been no change.

The Corporation shall at all times after April 15, 2000 reserve and keep available out of its authorized and unissued Common Stock, and free of any preemptive rights solely for the purpose of effecting the conversion of Series A Preferred Stock, such number of shares shall be reserved and kept available and from time to time be sufficient to effect the conversion of all shares of Series A Preferred Stock from time to time, in accordance with

the laws of Florida, increase the authorized number of shares of Common Stock remaining unissued shall not be sufficient to permit the conversion of all the then outstanding Series A Preferred Stock.

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

RESOLVED FURTHER, that, so long as any shares of the Series A Preferred Stock are outstanding, the holders of such shares shall have the following rights:

- (1) Notwithstanding any other provision of the Articles of Incorporation, as amended, of the Corporation, the Corporation shall not, without consent of two-thirds (2/3) of the outstanding shares of the Series A Preferred Stock, voting as a class, amend the provisions of Article Three of Articles of Incorporation.
- (2) Notwithstanding any other provision of the Articles of Incorporation, as amended, of the Corporation, the Corporation shall not, without the consent of two-thirds (2/3) of the outstanding shares of Series A Preferred Stock, voting as a class, amend the provisions of the resolutions creating and establishing the Series A Preferred Stock or the Statement of Resolution Establishing Series of Shares with respect to such Series A Preferred Stock filed with the Secretary of State of Florida.
- (3) Holders of Series A Preferred Stock will have no voting rights unless and until the dividends payable on the Series A Preferred Stock are in arrears for 270 days. In the event that a default in payment of required dividends continues in effect for more than 270 days, then, in any such event, holders of the Series A Preferred Stock will be entitled to elect as a group a number of directors of the Corporation equivalent to not less than thirty-five percent (35%) of the Corporation's directors, but in no event less than one (1) director. The same record

date shall be used for all classes of stock entitled to vote at any such meeting.

RESOLVED FURTHER, that shares of Series A Preferred Stock shall be non-redeemable for a period of five (5) years following the date of their issuance, but may be redeemed at any time or from time to time by the Corporation at a price equal to Par plus all accrued dividend payments outstanding. Any partial redemption will be pro-rata among all holders of Series A Preferred Stock. On the seventh (7<sup>th</sup>) anniversary of their issuance, the shares of Series A Preferred Stock shall be redeemed at a rate of ten percent (10%) of the then outstanding Series A Preferred Stock per annum over the next succeeding ten (10) years.

Notes:

No shares of the Corporation are outstanding.

No shares will be exchanged, reclassified, or cancelled due to the adoption of the amendment.

This amendment does not affect the stated capital of the Corporation.

#### ARTICLE SEVEN

##### PRINCIPAL OFFICE OF THE CORPORATION

The KPC Group, Inc., a corporation of the State of Florida, whose registered office is currently located at 1322 Bryn Mawr St. Orlando, Florida 32804. Effective immediately the Corporation votes at a meeting of the stockholders to change the principal office of the Corporation to 1464 Cumbie Ave., Orlando, Florida 32804.

#### ARTICLE TEN

##### Preemptive Rights

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No Shareholder or other person shall have any preemptive rights whatsoever.

#### ARTICLE Eleven

##### Voting

Each outstanding share shall be entitled to one vote on each matter submitted to a vote of Shareholders of the Corporation. With respect to any action to be taken by the Shareholders of the Corporation as to any matter, the affirmative vote of the holders of a majority of the outstanding shares of the Corporation shall be sufficient to authorize, affirm, ratify, or consent to such action.

#### ARTICLE Twelve

##### Interested Persons

(a) If paragraph (b) is satisfied, no contract or other transaction between the Corporation and any of its Directors, Officers or Shareholders (or any corporation or firm in which any of them are directly or indirectly interested) shall be invalid solely because of such relationship or because of the presence of such Director, Officer, or Shareholder at the meeting authorizing such contract or transaction, or his participation in meeting or authorization.

(b) Paragraph (a) shall apply if:

(1) The material facts of the relationship or interest of each such Director, Officer, or Shareholder are known and

disclosed:

(A) to the Board of Directors and it nevertheless authorizes or ratifies the contract or transaction by a majority of the Directors present, each such interested Director to be counted in determining whether a quorum is present but not in calculating the majority necessary to carry the vote; or

(B) to the Shareholders and the nevertheless authorize or ratify the contract or transaction by a majority of the shares present, each such interested person to be counted for quorum and voting purposes; or

(2) The contract or transaction is fair to the Corporation as of the time it is authorized or ratified by the Board of Directors, a committee of the Board or the Shareholders.

(c) This provision shall not be construed to invalidate a contract or transaction which would be valid in the absence of this provision.

### Article Thirteen

#### Indemnification

(a) The Corporation shall indemnify, to the extent provided in Paragraphs (b), (d), or (f):

(1) Any person who is or was a Director, Officer, agent or employee of the Corporation, and

(2) Any person who serves or served at the Corporation's request as a Director, Officer, agent, employee, partner or

trustee of another corporation or of a partnership, joint venture, trust or other enterprise.

(b) In case of suit by or in the right of the Corporation against a person named in Paragraph (a) by reason of his holding a position named in Paragraph (a), the Corporation shall indemnify him, if he satisfies the standard in Paragraph (c), for expenses (including attorney's fees but excluding amounts paid in settlement) actually and reasonably incurred by him in connection with the defense or settlement of the suit.

(c) In the case of a suit by or in the right of the Corporation, a person named in Paragraph (a) shall be indemnified only if:

- (1) He is successful on the merits or otherwise, or
- (2) He acted in good faith in the transaction which is the

subject of the suit, and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Corporation.

However, he shall not be indemnified in the respect of any claim, issue or matter as to which he has been adjudged liable for negligence or misconduct in the performance of his duty to the Corporation unless (and only to the extent that) the court in which the suit was brought determines, upon application, that despite the adjudication but in view of all the circumstances, he is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

(d) In a case of a suit, action or proceeding (whether civil, criminal, administrative, or investigative) - other than a suit by or in the right of the Corporation - together hereinafter

referred to as a nonderivative suit, against a person named in Paragraph (a) by reason of his holding a position named in Paragraph (a), the Corporation shall indemnify him, if he satisfies the standard Paragraph (e), for amounts actually and reasonably incurred by him in connection with the defense or settlement of the nonderivative suit as:

- (1) Expenses (including attorney's fees)
- (2) Amounts paid in settlement;
- (3) Judgements; and
- (4) Fines.

(e) In case of a nonderivative suit, a person named in Paragraph (a) shall be indemnified only if:

- (1) He is successful on the merits or otherwise; or
- (2) He acted in good faith in the transaction which is the

subject of the nonderivative suit, and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal action or proceeding, he had no reason to believe his conduct was unlawful. The termination of a nonderivative suit by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person failed to satisfy the standard of this Paragraph (e)(2).

(f) A determination that the standard of Paragraph (c) or (e) has been satisfied may be made by a court. Or, except as stated in Paragraph (e)(2) (second sentence), the determination may be made by:

- (1) A majority of the Directors of the Corporation (whether or not a quorum) who were not parties to the action, suit or

proceeding, or

- (2) Independent legal counsel in a written opinion, or
- (3) The Shareholders of the Corporation.

(g) Anyone making a determination under Paragraph (f) may determine that a person has met the standard as to some matters but not as to others, and may reasonably prorate amounts to be indemnified.

(h) The Corporation may pay in advance any expense (including attorney's fees) which may become subject to indemnification under Paragraphs (a) through (g) if:

(1) The Board of Directors authorizes the specific payment, and

(2) The person receiving the payment undertakes in writing to repay it, unless it is ultimately determined that he is entitled to indemnification by the Corporation under Paragraphs (a) through (g).

(i) The indemnification provided by Paragraphs (a) through (g) shall not be exclusive of any other rights to which a person may be entitled by law, Bylaw, agreement, vote of Shareholders or disinterested Directors or otherwise.

(j) The indemnification and advance payment provided by Paragraphs (a) through (h) shall continue as to a person who has ceased to hold a position named in Paragraph (a) and shall inure to his heirs, executors, and administrators.

(k) The Corporation may purchase and maintain insurance on behalf of any person who holds or who has held any position named in Paragraph (a) against any liability incurred by him in any such position, or arising out of his status as such, whether or

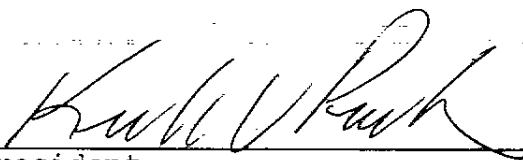


not the Corporation would have power to indemnify him against such liability under Paragraphs (a) through (h).

(l) Indemnification payments, advance payments and insurance payments made under Paragraphs (a) through (k) shall be reported in writing to the Shareholders of the Corporation with the next notice of annual meeting, or within six months, whichever is sooner.

Signed on September 2, 1999

By:

  
President

KELLY V. PULLIAM