

P98000063429

Florida Department of State
Division of Corporations
Public Access System
Katherine Harris, Secretary of State

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

((H99000029311 0)))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:

Division of Corporations
Fax Number : (850) 922-4000

From:

Angelica M. Calabrese

Account Name : AKERMAN, SENTERFITT & EIDSON, P.A.
Account Number : 075471001363
Phone : (305) 374-5600
Fax Number : (305) 374-5095

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

99 NOV 17 PM 2:44

FILED

BASIC AMENDMENT

ACTIVEUSA.COM, INC.

Certificate of Status	0
Certified Copy	1
Page Count	14
Estimated Charge	\$43.75

Amendment

Electronic Filing Menu

Corporate Filing

Public Access Help

11/17/99

DC

FAX AUDIT No.H99000029311 0

**Certificate of Amendment to the
Certificate of Designations, Preferences and Rights
of the
Series A Preferred Stock
of ActiveUSA.com, Inc.**

FILED
99 NOV 17 PM 2:44
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the Florida Business Corporation Act, the Certificate of Designations, Preferences and Rights of the Series A Preferred Stock of the Articles of Incorporation of ActiveUSA.com, Inc., a Florida corporation (the "Corporation"), is amended and restated to read as follows:

Resolved, that pursuant to the authority vested in the Board of Directors of the Company in accordance with the provisions of its Articles of Incorporation and §607.0602 of the Florida Business Corporation Act, a series of Preferred Stock of the Company be, and it hereby is, created, and the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof, are as follows:

1. **Designation and Amount.** Of the 10,000,000 shares of Preferred Stock, \$.01 par value per share, authorized by Article IV of the Articles of Incorporation, there is hereby designated a series of Preferred Stock consisting of 2,742,587 shares to be designated "Series A Preferred" (the "Series A Preferred").

2. **Ranking.** So long as any shares of the Series A Preferred remain outstanding, the Series A Preferred will rank senior to any other stock of the Company, the designation of which does not expressly provide that such series of stock ranks senior to or on parity with the Series A Preferred (the "Junior Stock"), with respect to the right to receive assets on liquidation, dissolution or winding up of the Company or the payment of dividends, redemptions and distributions. In all respects, the Series A Preferred ranks on parity with the Series B Preferred Stock of the Company.

3. **Dividend Rights.** Following the Adoption Date, so long as any shares of Series A Preferred shall be outstanding, no dividend, whether in cash or property, shall be paid or declared, nor shall any other distribution be made, on any Junior Stock. Any stock that is not Junior Stock shall be referred to herein as "Non-Junior Stock." The provisions of this Section 3 shall not, however, apply to (i) any dividend payable in Common Stock, or (ii) any repurchase of any outstanding securities of the Company that is unanimously approved by the Company's Board of Directors.

4. **Liquidation Preference.** Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of Series A Preferred shall be entitled to be paid out of the assets of the Company an amount per share of Series A Preferred equal

FAX AUDIT No.H99000029311 0

to \$1.18. (the "Series A Issue Price") (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares) for each share of Series A Preferred held by them (the "Series A Liquidation Preference"). If, upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the amounts payable with respect to the Series A Preferred and all other Non-Junior Stock are not paid in full, the holders of the Series A Preferred and the Non-Junior Stock will share equally and ratably in any distribution of assets of the Company in proportion to the full liquidation preference and accumulated and unpaid dividends, if any, to which each series of stock is entitled the "Full Liquidation Preference"). After the payment of the Full Liquidation Preference to the holders of the Series A Preferred and any Non-Junior Stock, the remaining assets shall be distributed to the holders of any Junior Stock

5. Voting Rights.

(a) *General.* The Series A Preferred will vote together with the Common Stock and not as a separate class except as specifically provided herein or as otherwise required by law. Each share of Series A Preferred shall have a number of votes equal to the number of shares of Common Stock then issuable upon conversion of such share of Series A Preferred. The vote of the holders of a majority of the Series A Preferred shall be required in the event holders of the Series A Preferred vote as a separate class.

(b) *Separate Vote of Series Preferred.* For so long as at least twenty-five percent (25%) of the authorized shares of the Series A Preferred (subject to adjustment for any stock split, reverse stock split or other similar event affecting the Series A Preferred) remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of at least a majority of the outstanding Series A Preferred shall be necessary for effecting or validating the following actions:

- (i) Any material amendment, alteration, or repeal of any provision of the Amended Articles of Incorporation or the Bylaws of the Company (including any filing of a Certificate of Designation), including any changes to the rights or terms of the Series A Preferred or any increase or decrease in the authorized number of members of the Company's Board of Directors;
- (ii) Any increase in the authorized number of shares of Series A Preferred or any other Non-Junior Stock;
- (iii) Any changes to the rights or terms of the Series A Preferred or any other Non-Junior Stock;
- (iv) Any authorization or any designation, whether by reclassification or otherwise, of any new class or series of stock or any other securities convertible into equity securities

FAX AUDIT No.H99000029311 0

of the Company ranking on a parity with or senior to the Series A Preferred in right of liquidation preference, voting or dividends;

- (v) Any merger, consolidation, sale of more than \$100,000 of assets or any acquisition in excess of \$100,000;
- (vi) Any redemption, repurchase, payment of dividends or other distributions with respect to Junior Stock (except, with the approval of the Board of Directors, for acquisitions of Common Stock by the Company pursuant to agreements which permit the Company to repurchase such shares upon termination of services to the Company or in exercise of the Company's right of first refusal upon a proposed transfer);
- (vii) Any voluntary dissolution, liquidation, recapitalization or reorganization of the Company; or
- (viii) Any financing involving the issuance of any debt or equity securities or borrowings of the company other than (A) financings involving unsecured debt of less than \$1,000,000 or (B) debt financings secured by accounts receivable, inventory, real property, fixtures or equipment.

(c) *Election of Board of Directors.* For so long as at least twenty-five percent (25%) of the authorized shares of Series A Preferred remain outstanding (subject to adjustment for any stock split, reverse stock split or similar event affecting the Series A Preferred) the authorized size of the Company's Board of Directors shall be five (5) or, if approved by the holders of the Series A Preferred as provided for in Section 5(b)(i), more than five (5), and (i) the holders a majority of Series A Preferred outstanding, voting as a separate class, shall be entitled to elect two (2) members of the Company's Board of Directors at each meeting or pursuant to each consent of the Company's shareholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors; (ii) the holders a majority of Common Stock outstanding, voting as a separate class, shall be entitled to elect two (2) members of the Board of Directors at each meeting or pursuant to each consent of the Company's shareholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors; and (iii) the holders of a majority of the outstanding Common Stock and Series A Preferred, voting together as a class, shall be entitled to elect one (1) member of the Board of Directors at each meeting or pursuant to each consent of the Company's shareholders for the election of directors, and to remove from office such director and to fill any vacancy caused by the resignation, death or removal of such director.

FAX AUDIT No.H99000029311 0

6. Conversion Rights. The holders of the Series A Preferred shall have the following rights with respect to the conversion of the Series A Preferred into shares of Common Stock (the "Conversion Rights"):

(a) *Optional Conversion.* Subject to and in compliance with the provisions of this Section 6, any shares of Series A Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series A Preferred shall be entitled upon conversion shall equal the product obtained by multiplying the "Series A Preferred Conversion Rate" then in effect (determined as provided in Section 6(b) by the number of shares of Series A Preferred being converted.

(b) *Series A Preferred Conversion Rate.* The conversion rate in effect at any time for conversion of the Series A Preferred (the "Series A Preferred Conversion Rate") shall equal the quotient obtained by dividing the Series A Issue Price by the "Series A Preferred Conversion Price," calculated as provided in Section 6(c).

(c) *Series A Preferred Conversion Price.* The conversion price for the Series A Preferred shall initially equal the Series A Issue Price (the "Series A Preferred Conversion Price"). Such initial Series A Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 6. All references to the Series A Preferred Conversion Price herein shall mean the Series A Preferred Conversion Price as so adjusted.

(d) *Mechanics of Conversion.* Each holder of Series A Preferred who desires to convert the same into shares of Common Stock pursuant to this Section 6 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Series A Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series A Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled and shall promptly pay in cash or, to the extent sufficient funds are not then legally available therefor, in Common Stock (at the Common Stock's fair market value determined by the Board of Directors as of the date of such conversion), any declared and unpaid dividends on the shares of Series A Preferred being converted. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Series A Preferred to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

(e) *Adjustment for Stock Splits and Combinations.* If the Company shall at any time or from time to time after the date that the first share of Series A Preferred is issued (the "Original Issue Date") effect a subdivision of the outstanding Common

FAX AUDIT No.H99000029311 0

Stock without a corresponding subdivision of the Preferred Stock, the Series A Preferred Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if the Company shall at any time or from time to time after the Original Issue Date combine the outstanding shares of Common Stock into a smaller number of shares without a corresponding combination of the Preferred Stock, the Series A Preferred Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 6(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) *Adjustment for Common Stock Dividends and Distributions.* If the Company at any time or from time to time after the Original Issue Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in shares of Common Stock or other securities or property of the Company, in each such event the Series A Preferred Conversion Price that is then in effect shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Series A Preferred Conversion Price then in effect by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or the fair market value per share of the securities or other property of the Company, as determined by the Board, to be distributed; provided, however, (a) this adjustment shall exclude any such distributions to the extent such distribution is made to the holders of the Series A Preferred, and (b) that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Series A Preferred Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Series A Preferred Conversion Price shall be adjusted pursuant to this Section 6(f) to reflect the actual payment of such dividend or distribution.

(g) *Adjustment for Reclassification, Exchange and Substitution.* If at any time or from time to time after the Original Issue Date, the Common Stock issuable upon the conversion of the Series A Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets provided for elsewhere in this Section 6), in any such event each holder of Series A Preferred shall have the right thereafter to convert such stock into the kind and amount of stock and other securities and property receivable upon such recapitalization, reclassification or other change by holders of the maximum number of shares of Common Stock into which such shares of Series A Preferred could have been

converted immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(h) *Reorganizations, Mergers, Consolidations or Sales of Assets.* If at any time or from time to time after the Original Issue Date, there is a capital reorganization or any reclassification of the capital stock of the Company or in case of the consolidation or merger of the Company with another corporation or in the case of any sale or conveyance of all or substantially all of the property of the Company (other than a recapitalization, subdivision, combination, reclassification, exchange or substitution of shares provided for elsewhere in this Section 6) (a "Reorganization"), as a part of such Reorganization, provision shall be made so that the holders of the Series A Preferred shall thereafter be entitled to receive upon conversion of the Series A Preferred the number of shares of stock or other securities or property of the Company to which a holder of the number of shares of Common Stock deliverable upon conversion of such shares of Series A Preferred would have been entitled on such Reorganization, subject to adjustment in respect of such stock or securities by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of the holders of Series A Preferred after the Reorganization to the end that the provisions of this Section 6 (including adjustment of the Series A Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Series A Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(i) *Sale of Shares Below Series A Preferred Conversion Price.*

- (i) If at any time or from time to time after the Original Issue Date, the Company issues or sells, or is deemed by the express provisions of this subsection (i) to have issued or sold, Additional Shares of Common Stock (as defined in subsection (iv) below), other than as a dividend or other distribution on any class of stock as provided in Section 6(f) above, and other than a subdivision or combination of shares of Common Stock as provided in Section 6(e) above, for an Effective Price (as defined in subsection (iv) below) less than the then effective Series A Preferred Conversion Price, then and in each such case the then existing Series A Preferred Conversion Price shall be reduced, as of the opening of business on the date of such issue or sale, to a price determined by multiplying the Series A Preferred Conversion Price by a fraction (i) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock which the aggregate consideration

FAX AUDIT No.H99000029311 0

received (as defined in subsection (ii)) by the Company for the total number of Additional Shares of Common Stock so issued would purchase at such Series A Preferred Conversion Price, and (ii) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as defined below) immediately prior to such issue or sale plus the total number of Additional Shares of Common Stock so issued. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (A) the number of shares of Common Stock actually outstanding, (B) the number of shares of Common Stock into which the then outstanding shares of Series A Preferred could be converted if fully converted on the day immediately preceding the given date, and (C) the number of shares of Common Stock which could be obtained through the exercise or conversion of all other rights, options and convertible securities exercisable on the day immediately preceding the given date.

- (ii) For the purpose of making any adjustment required under Section 6(i), the consideration received by the Company for any issue or sale of securities shall (A) to the extent it consists of cash, be computed at the net amount of cash received by the Company after deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale but without deduction of any expenses payable by the Company, (B) to the extent it consists of property other than cash, be computed at the fair value of that property as determined in good faith by the Board of Directors, and (C) if Additional Shares of Common Stock, Convertible Securities (as defined in subsection (iii)) or rights or options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, be computed as the portion of the consideration so received that may be reasonably determined in good faith by the Board of Directors to be allocable to such Additional Shares of Common Stock, Convertible Securities or rights or options.
- (iii) For the purpose of the adjustment required under this Section 6(i), if the Company issues or sells (A) stock or other securities convertible into, Additional Shares of Common Stock (such convertible stock or securities being herein

FAX AUDIT No.H99000029311 0

referred to as "Convertible Securities") or (B) rights or options for the purchase of Additional Shares of Common Stock or Convertible Securities and if the Effective Price of such Additional Shares of Common Stock is less than the Series A Preferred Conversion Price, in each case the Company shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities, plus, in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options, plus, in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) upon the conversion thereof; provided that if in the case of Convertible Securities the minimum amounts of such consideration cannot be ascertained, but are a function of anti-dilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses; provided further that if the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of anti-dilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; provided further that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities. No further adjustment of the Series A Preferred Conversion Price, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be made as a result of the actual issuance of Additional Shares of Common Stock on the exercise of any such rights or options or the conversion of any such Convertible Securities. If any such rights or options

FAX AUDIT No.H99000029311 0...

or the conversion privilege represented by any such Convertible Securities shall expire without having been exercised, the Series A Preferred Conversion Price as adjusted upon the issuance of such rights, options or Convertible Securities shall be readjusted to the Series A Preferred Conversion Price which would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued or sold on the exercise of such rights or options or rights of conversion of such Convertible Securities, and such Additional Shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise, plus the consideration, if any, actually received by the Company for the granting of all such rights or options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted, plus the consideration, if any, actually received by the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion of such Convertible Securities, provided that such readjustment shall not apply to prior conversions of Series A Preferred.

- (iv) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 6(i), whether or not subsequently reacquired or retired by the Company other than (A) shares of Common Stock issued upon conversion of the Series A Preferred or upon the exercise of the warrants issued with the Series A Preferred; (B) up to 1,676,000 shares of Common Stock and/or options, warrants or other Common Stock purchase rights, and the Common Stock issued pursuant to such options, warrants or other rights (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like) after the Original Issue Date to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board; (C) shares of Common Stock issued pursuant to the exercise of options, warrants or convertible securities outstanding as of the Original Issue Date, (D) shares of Common Stock which may be issued to Competitor Publishing and to Windy City Publishing pursuant to their respective publishing agreements with the Company, (E) shares of Common Stock issued

pursuant to a merger, consolidation, acquisition or similar business combination which has been approved by the majority of the holders of the Series A Preferred, (F) shares of Common Stock issued pursuant to any equipment leasing arrangement, or debt financing from a bank or similar financial institution, and (G) shares which the majority of the holders of the outstanding shares of Series A Preferred agree, in writing, shall not be considered "Additional Shares of Common Stock." The "Effective Price" of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under this Section 6(i), into the aggregate consideration received, or deemed to have been received by the Company for such issue under this Section 6(i), for such Additional Shares of Common Stock.

(j) *Certificate of Adjustment.* In each case of an adjustment or the readjustment of the Series A Preferred Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Series A Preferred, if the Series A Preferred is then convertible pursuant to this Section 6, the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series A Preferred at the holder's address as shown in of the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any Additional Shares of Common Stock issued or sold or deemed to have been issued or sold, (ii) the Series A Preferred Conversion Price in effect at that time, (iii) the number of Additional Shares of Common Stock and (iv) the type and amount, if any, of other property which at that time would be received upon conversion of the Series A Preferred.

(k) *Notices of Record Date.* Upon (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Reorganization of the Company (as defined in Section 6(h) hereto) or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Series A Preferred at least twenty (20) days prior to the record date specified therein a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Reorganization, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record

FAX AUDIT No.H99000029311 0

of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Reorganization, dissolution, liquidation or winding up.

(I) *Automatic Conversion.*

- (i) Each share of Series A Preferred shall automatically be converted into shares of Common Stock, based on the then-effective Series A Preferred Conversion Price, immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which the gross cash proceeds to the Company (before underwriting discounts, commissions and fees) are in excess of \$20,000,000.
- (ii) Upon the occurrence of the event specified in Section 6(I)(i) above, the outstanding shares of Series A Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Series A Preferred are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Series A Preferred, the holders of Series A Preferred shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the Series A Preferred. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Series A Preferred surrendered were convertible on the date on which such automatic conversion occurred.

(m) *Fractional Shares.* No fractional shares of Common Stock shall be issued upon conversion of Series A Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series A

FAX AUDIT No.H99000029311 0

Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after any aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Common Stock's fair market value (as determined by the Board of Directors) on the date of conversion.

(n) *Reservation of Stock Issuable Upon Conversion.* The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred, such number of its shares of Common Stock as shall at any time and from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(o) *Notices.* Any notice required by the provisions of this Section 6 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(p) *Payment of Taxes.* The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Common Stock upon conversion of shares of Series A Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred so converted were registered.

(q) *No Dilution or Impairment.* Without the consent of the holders of then outstanding Series A Preferred as required under Section 5(b), the Company shall not amend its Restated Articles of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or take any other voluntary action, for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but shall at all times in good faith assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the Series A Preferred against dilution or other impairment.

FAX AUDIT No.H99000029311 0

7. Redemptions. The Company shall not be obligated to redeem the Series A Preferred.

8. Other Rights, Preferences and Limitations. In all other respects, except as set forth herein, each share of the Series A Preferred shall have the same rights and preferences as each share of Common Stock including, without limitation, upon liquidation, dissolution or winding up of the affairs of the Company and with respect to dividends; provided, however, that the Series A Preferred shall have a preference in that it shall receive its ratable portion of any liquidating distribution or dividend before any such amounts shall be paid to the holders of the Common Stock.

In accordance with Section 607.0123(1)(b) of the Florida Business Corporation Act, this Amendment shall be effective as of the date of filing of this Amendment.

This Amendment made to the Articles of Incorporation was duly adopted and approved of by the unanimous written consent executed by all members of the Board of Directors and the holders of the Series A Preferred Stock of the Corporation dated November 15, 1999 pursuant to §607.0704 and §607.0821 of the Florida Business Corporation Act.

Except as hereby amended, the Articles of Incorporation of the Corporation shall remain the same.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

NOV-17-99 01:01PM FROM-AKERMANN SENTERFITT & EIDSON

+3053745085

T-417 P.15/15 F-067

FAX AUDIT No.H99000029311 0

**In Witness Whereof, the Company has caused this Certificate to be executed by its President
on this 17th day of November, 1999.**

ActiveUSA.com, Inc.

By:


James M. Woodman IV, President