

CCRS

103 N. MERIDIAN STREET, LOWER LEVEL
TALLAHASSEE, FL 32301
222-1113

P98000083184

FILING COVER SHEET
ACCT. #FCA-14

CONTACT: CINDY HICKS

600003400276--0

-09/21/00--01031--009

*****43.75 *****43.75

DATE: 9-21-00

REF. #: 204.13161

Amend

CORP. NAME: WEBTANK, INC.

() ARTICLES OF INCORPORATION

(X) ARTICLES OF AMENDMENT

() ARTICLES OF DISSOLUTION

() ANNUAL REPORT

() TRADEMARK/SERVICE MARK

() FICTITIOUS NAME

() FOREIGN QUALIFICATION

() LIMITED PARTNERSHIP

() LIMITED LIABILITY

() REINSTATEMENT

() MERGER

() WITHDRAWAL

() CERTIFICATE OF CANCELLATION

() UCC-1

() UCC-3

() OTHER:

FILED
SEP 21 PM 12:20
TALLAHASSEE, FLORIDA
STATE DIVISION OF CORPORATIONS

STATE FEES PREPAID WITH CHECK# 4065 FOR \$ 43.75

AUTHORIZATION FOR ACCOUNT IF TO BE DEBITED:

COST LIMIT: \$

PLEASE RETURN:

(X) CERTIFIED COPY

() CERTIFICATE OF GOOD STANDING

() PLAIN STAMPED COPY

() CERTIFICATE OF STATUS

RECEIVED
SEP 21 AM 10:06
TALLAHASSEE, FLORIDA
DEPARTMENT OF STATE
DIVISION OF CORPORATIONS

Examiner's Initials

DR
9/21/00

**ARTICLES OF AMENDMENT
OF THE
ARTICLES OF INCORPORATION
OF
WEBTANK, INC.**

FILED
00 SEP 21 PM 12:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

WebTank, Inc., a corporation organized and existing under the laws of the State of Florida (the "Corporation"), in order to amend its Articles of Incorporation in accordance with the requirements of Chapter 607, Florida Statutes, does hereby certify as follows:

1. The Articles of Incorporation of the Corporation were filed by the Secretary of State of the State of Florida on September 24, 1998 and amended on July 7, 1999 and March 8, 2000.

2. Pursuant to Section 607.1003(6), Florida Statutes, this amendment to the Articles of Incorporation was approved by written consent of a majority of the common and preferred shareholders of the Corporation without the action of the board of directors, as of August 22, 2000. The number of votes cast by holders of each of the common and preferred stock was sufficient for approval of this amendment.

3. As amended below, Article III of the Articles of Incorporation changes the current capital structure of the Corporation.

4. These Articles of Amendment of the Articles of Incorporation shall be effective immediately upon filing by the Secretary of State of the State of Florida, and thereafter, Article III of the Articles of Incorporation of the Corporation shall read as follows:

ARTICLE III

Capital Stock

a. Authorized Capitalization. The total number of shares of all classes of stock which the Corporation shall have authority to issue is 35,000,000 shares, divided into the following: (i) 250,000 shares of Series A Convertible Preferred Stock, \$.001 par value (the "Series A Preferred Stock"), (ii) 9,750,000 shares of undesignated Serial Preferred Stock, \$.001 par value, (iii) 20,000,000 shares of Common Stock, \$.001 par value, and (iv) 5,000,000 shares of Non-Voting Common Stock, \$.001 par value.

b. Serial Preferred Stock. The Board of Directors is expressly authorized at any time, and from time to time, to provide for the issuance of shares of Preferred Stock in one or more series, with such voting powers, full or limited, or without voting powers, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be expressed in the resolution or resolutions providing for the issue thereof adopted by the Board of Directors and as are not expressed in these Articles of Incorporation or any amendment thereto, including (but without limiting the generality of the foregoing) the following:

i. the designation of such series;

ii. the dividend rate of such series, the conditions and dates upon which such dividends shall be payable, the preference or relation which such dividends shall bear to the dividends payable on any other class or classes or on any other series of any class or classes of capital stock of this corporation, and whether such dividends shall be cumulative or non-cumulative;

iii. whether the shares of such series shall be subject to redemption by this corporation, and if made subject to such redemption, the times, prices and other terms and conditions of such redemption;

iv. the terms and amount of any sinking fund provided for the purchase or redemption of the shares of such series;

v. whether the shares of such series shall be convertible into or exchangeable for shares of any other class or classes or of any other series of any class or classes of capital stock of this corporation, and if provisions are made for conversion or exchange, the times, prices, rates, adjustments, and other terms and conditions of such conversion or exchange;

vi. the extent, if any, to which the holders of the shares of such series shall be entitled to vote as a class or otherwise with respect to the election of directors or otherwise;

vii. the restrictions and conditions, if any, upon the issue or reissue of any additional Preferred Stock ranking on a parity with or prior to such shares as to dividends or upon dissolution; and

viii. the rights of the holders of the shares of such series upon dissolution of, or upon the distribution of assets of, this corporation, which rights may be different in the case of a voluntary dissolution than in the case of an involuntary dissolution.

c. Common Stock, Non-Voting Common Stock and Series A Preferred Stock. The rights, preferences, privileges and restrictions granted to or imposed upon the Common Stock, Non-Voting Common Stock and Series A Preferred Stock are as follows:

i. Dividends. The holders of the Preferred Stock shall be entitled, when, as and if declared by the Board of Directors of the Corporation, to dividends out of, on a pro rata basis, the retained earnings or capital surplus of the Corporation. The holders of the Series A Preferred Stock shall be entitled to share in any dividends or distributions paid to the holders of shares of common stock or any other class or series of stock ranking junior to the Series A Preferred Stock, at the same rate per share of Series A Preferred Stock based upon the shares of common stock or other securities which the holder of such Series A Preferred Stock would be entitled to receive upon conversion thereof immediately prior to the record date of such distribution. The right to such dividends on shares of the common stock and Series A Preferred Stock shall not be cumulative, and no right shall accrue to holders of common stock or Series A Preferred Stock by reason of the fact that dividends on said shares are not declared in any prior period. Subject to the rights of the holders of the Series A Preferred Stock, and any other series of Serial Preferred Stock authorized pursuant to the terms of Part b. of this Article 3, the holders of common stock shall be entitled to receive dividends out of the retained earnings or capital surplus of the Corporation when, as, and if decided by the Board of Directors.

ii. Liquidation Preference.

(1) Preference. In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the holders of the Series A Preferred Stock then outstanding shall be entitled to receive, after payment or provision for payment of all creditors of the Corporation, but before any distribution or payment shall be made in respect of the common stock or any other stock of the Corporation ranking junior to the Series A Preferred Stock as to assets on liquidation, dissolution or winding up, an amount equal to \$2.00 per share, and no payment on account of liquidation, dissolution or winding up shall be made to the holders of any series of Preferred Stock, or any other stock of the Corporation rank-

ing on a parity with the Series A Preferred Stock as to assets, unless there shall likewise be paid at the same time to the holders of all shares of Series A Preferred Stock like proportionate distributive amounts ratably, in proportion to the full distributive amounts to which they are respectively entitled. The holders of the Series A Preferred Stock shall have no rights in respect of the remaining assets of the Corporation.

(2) Merger. Neither the consolidation or merger of the Corporation with or into any other corporation or corporations, nor the sale or transfer by the Corporation of all or any part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Article III.

iii. Voting Rights.

(1) General Rights - Preferred Stock. The holder of each share of Series A Preferred Stock shall be entitled to one vote per share of Series A Preferred Stock for the vote or consent of shareholders and, except as otherwise required by law, shall have voting rights and powers equal to the voting rights and powers of the Common Stock. The holder of each share of Series A Preferred Stock shall be entitled to receive notice of any shareholders' meeting in accordance with the bylaws of the Corporation and shall vote with holders of the common stock upon the election of directors and upon any other matter submitted to a vote of the shareholders, except those matters required by law to be submitted to a class vote. Fractional voting rights shall be rounded to the nearest whole number (with one-half rounded upward to one).

(2) Voting Rights – Common Stock. The holders of shares of Common Stock shall be entitled to one vote per share at each meeting of the stockholders of the Corporation on all matters coming before the stockholders of the Corporation, except as may be specifically provided in these Articles.

(3) Voting Rights – Non-Voting Common Stock. The holders of shares of Non-Voting Common Stock shall not be entitled to any voting rights.

(4) General Provisions. The manner of establishing the number of directors to constitute the Board of Directors and the procedures for electing directors shall be as set forth in the Bylaws of the Corporation. There shall be no cumulative voting in the election of directors.

iv. Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(1) Right of Conversion. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for the Series A Preferred Stock. Each such share shall be convertible into one share of Common Stock.

(2) Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into one share of common stock immediately upon the earlier to occur of (i) the effectiveness of a registration statement under the Securities Act of 1933, as amended, relating to a bona fide, firm commitment underwriting of the Corporation's common stock ("Initial Public Offering"), (ii) the Corporation or a successor to the Corporation becoming registered under the Securities Exchange Act of 1934, or (iii) or upon the Corporation's having six consecutive months in which it has net income. Upon having six consecutive months of net income, and at any time thereafter, the Corporation shall have the option to require the conversion of the Series A Preferred Stock into Common Stock. The determination of whether the Corporation has net income shall be made on the basis of the Corporation's monthly financial statements prepared by its independent accountants in accordance with generally acceptable accounting principles, consistently applied.

(3) Deposit of Certificates. Before any holder of Series A Preferred Stock shall be entitled to convert the same into common stock, the holder shall surrender the certificate or certificates for that Series A Preferred Stock at the office of the transfer agent for the common stock, which certificate or certificates, if the Corporation shall so request, shall be duly 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 at that office that the holder elects so to convert Series A Preferred Stock, and shall state in writing in that notice the name or names in which he or she wishes the certificate or certificates for common stock to be issued. Every such notice of election to convert shall constitute a contract between the holder of that Series A Preferred Stock and the Corporation, by which the holder of the Series A Preferred Stock shall be deemed to subscribe for the amount of common stock which he or she shall be entitled to receive upon the conversion, and, in satisfaction of that subscription, to deposit the Series A Preferred Stock to be converted and to release the Corporation from all liability under that stock, and thereby the Corporation shall be deemed to agree that the surrender of the certificate or certificates for the Series A Preferred Stock and the release of liability on that stock shall constitute full payment of the subscription for common stock to be issued upon that conversion.

(4) Issuance of Certificates. As soon as practicable after the above-described deposit of certificates for Series A Preferred Stock accompanied by the written notice and the statement above prescribed, the Corporation will issue and deliver at the office of the transfer agent to the person for whose account the Series A Preferred Stock was so surrendered, or to his or her nominee or nominees, certificates for the number of full shares of common stock to which that person shall be entitled as described above, together with a cash adjustment of any fraction of a share as stated in these Articles, if not evenly convertible. Subject to the following provisions of this paragraph, the conversion shall be deemed to have been made as of the date of surrender of the Series A Preferred Stock to be converted; and the person or persons entitled to receive the common stock issuable upon conversion of that Series A Preferred Stock shall be treated for all purposes as the record holder or holders of that common stock on that 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 Series A Preferred Stock for conversion during any period while the books are so closed shall become effective for conversion immediately upon the re-opening of the books, as if the conversion had been made on the date the Series A Preferred Stock was surrendered.

(5) Status. Shares of Series A Preferred Stock converted into common stock shall have the status of authorized and unissued shares of Series A Preferred Stock, and the number of shares of Series A Preferred Stock which the Corporation shall have authority to issue shall not be decreased by the conversion of such shares.

(6) Reservation. The Corporation shall at all times reserve and keep available, out of its authorized and unissued common stock, solely for the purpose of effecting the conversion of the Series A Preferred Stock, such number of shares as shall from time to time be sufficient to effect the conversion of all shares of Series A Preferred Stock from time to time outstanding. The Corporation shall from time to time, in accordance with the laws of Florida increase the authorized amount of its common stock if at any time the 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.

(7) Fractional Shares. No fractions of shares of common stock will be issued upon conversion. In the event that because of any adjustments required to be made fractions of shares of common stock would be required to be issued upon conversion, the Corporation will, in lieu of issuing the fractions of shares, pay to the person otherwise entitled to the frac-

tions the cash value of the fractions based upon the current market price (as reasonably determined by the Corporation) per share of common stock on the day prior to that on which shares of Series A Preferred Stock are surrendered by that person for conversion.

IN WITNESS WHEREOF, WEBTANK, INC. has caused these Articles of Amendment of the Articles of Incorporation to be executed by its President this 22nd day of August, 2000.

WEBTANK, INC.

By: 

John Munsell, President

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