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CORPORATION NAME(S) AND DOCUMENT NUMBER(S) (if known):

Sneakers.Com Inc

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AMENDMENTS	
<input checked="" type="checkbox"/>	Amendment
<input type="checkbox"/>	Resignation of R.A. Officer/Director
<input type="checkbox"/>	Change of Registered Agent
<input type="checkbox"/>	Dissolution/Withdrawal
<input type="checkbox"/>	Merger

OTHER FILINGS	
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REGISTRATION/QUALIFICATION	
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**ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION OF  
SNEAKERS.COM, INC.**

00 JAN 19 PM 3:19  
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*Pursuant to the provisions of Section 607.1006 of the Florida Statutes, SNEAKERS.COM, INC., a Florida profit corporation, adopts the following articles of amendment to its articles of incorporation.*

1. The name of the corporation is SNEAKERS.COM, INC. (the "Corporation").
2. The Articles of Incorporation of the Corporation are hereby amended by the addition of a provision stating the designation, number, preferences, limitations, and relative rights of the shares of a series of preferred stock, as determined by the Board of Directors, as hereinbelow set forth in full:

A. Designation and Number of Shares.

300,000 shares of preferred stock (the "Shares") are hereby designated as Series B Convertible Preferred Stock, \$.001 par value per share (the "Series B Preferred Stock").

B. Dividends.

The Series B Preferred Stock shall not entitle its holders to any dividend rights.

C. Voting Rights.

(i) General Voting Rights. In addition to any other rights provided for herein or by law, the holders of Series B Preferred Stock shall be entitled to vote, together with the holders of Common Stock as one class, on all matters as to which holders of Common Stock shall be entitled to vote, in the same manner and with the same effect as such Common Stock holders. In any such vote each share of Series B Preferred Stock shall entitle the holder thereof to the number of votes per share that equals the number of shares of Common Stock into which each such share of Series B Preferred Stock is then convertible.

(ii) Separate Vote of Series B Preferred.

(a) In the event that the holders of the Series B Preferred Stock are required to vote as a class, the affirmative vote of holders of not less than fifty-one percent of the outstanding shares of Series B Preferred Stock shall be required to approve each such matter to be voted upon (unless a higher percentage is specified in these Articles of Incorporation, as they may be amended from time-to-time) and if any matter is approved by such requisite percentage of holders of Series B Preferred Stock, such matter shall bind all holders of Series B Preferred Stock.

(b) So long as any shares of the Series B Preferred Stock remain outstanding, the consent of the holders of not less than fifty-one percent of the then outstanding Series B Preferred Stock, voting as one class, together with any other series of preferred stock then entitled to vote on such matter, regardless of series, either expressed in writing or at a meeting called for that purpose, shall be necessary to permit, effect or validate the creation and issuance of any series of preferred stock of the Corporation which is senior as to liquidation rights to the Series B Preferred Stock.

(c) So long as any shares of the Series B Preferred Stock remain outstanding, the consent of holders of not less than two-thirds of the then outstanding Series B Preferred Stock, voting as one class, either expressed in writing or at a meeting called for that purpose, shall be necessary to either (i) repeal, amend or otherwise change the provisions of these Articles of Amendment in a manner which would alter or change the powers, preferences, rights, privileges, restrictions and conditions of the Series B Preferred Stock so as to adversely affect the Series B Preferred Stock, or (ii) increase the number of shares designated herein as Series B Preferred Stock.

(d) So long as at least ten percent of the Series B Preferred Stock remains outstanding, the consent of the holders of not less than fifty-one percent of the then outstanding Series B Preferred Stock, voting as one class, together with any other series of preferred stock then entitled to vote on such matter, regardless of series, either expressed in writing or at a meeting for the purpose, shall be necessary to permit, effect or validate the distribution of any monies or other property solely with respect to the declaration and payment of dividends or the redemption of shares of capital stock.

(e) Each share of the Series B Preferred Stock shall entitle the holder thereof to one vote on all matters to be voted on by the holders of the Series B Preferred Stock, as set forth above.

D. Liquidation.

Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary ("Liquidation"), the holders of record of the shares of the Series B Preferred Stock shall be entitled to receive, before and in preference to any distribution or payment of assets of the Corporation or the proceeds thereof may be made or set apart for the holders of common stock of the Corporation, par value \$.001 per share (the "Common Stock"), or any other security junior to the Series B Preferred Stock in respect of distributions upon Liquidation out of the assets of the Corporation legally available for distribution to its stockholders, an amount in cash equal to \$10.00 per share (the "Original Purchase Price"), subject to adjustment if the Series B Preferred Stock has undergone a split or subdivision. If, upon such Liquidation, the assets of the Corporation available for distribution to the holders of Series B Preferred Stock and any other series of preferred stock then outstanding ranking on parity with the Series B Preferred Stock upon liquidation, including the Company's Series A Convertible Preferred Stock ("Parity Stock") shall be insufficient to permit payment in full to the holders of the Series B Preferred Stock and Parity Stock, then the entire assets and funds of the Corporation legally available for distribution to such holders and the holders of the Parity Stock then outstanding shall be distributed ratably among the holders of the Series B Preferred Stock and Parity Stock based upon the proportion of the total amount distributable on each share upon liquidation bears to the aggregate amount available for distribution on all shares of the Series B Preferred Stock and of such Parity Stock, if any. A merger or consolidation shall be considered a Liquidation except in the event that in such a transaction, the holders of the Series B Preferred Stock receive securities of the surviving corporation having substantially similar rights as the Series B Preferred Stock and the stockholders of the Corporation immediately prior to such transaction are holders of at least a majority of the voting securities of the surviving corporation immediately thereafter. Notwithstanding Subparagraph C hereof, such provision may be waived in writing by a majority of the holders of the then outstanding Series B Preferred Stock.

E. Conversion Rights.

Each holder of record of shares of the Series B Preferred Stock shall have the right to convert all or any part of such holder's shares of Series B Preferred Stock into shares of Common Stock ("Conversion Shares") as follows:

(i) Optional Conversion - Conversion Price - Conversion Rate. Each share of the Series B Preferred Stock shall be convertible at any time, at the option of the respective holders thereof, at the office of any transfer agent for the Series B Preferred Stock, or if there is none, then at the office of the transfer agent for the Common Stock, or if there is no such transfer agent, at the principal executive

office of the Corporation, into that number of fully paid and non-assessable shares of Common Stock equal to the Original Purchase Price divided by the conversion price in effect at the time of conversion (the "Conversion Price"). The Conversion Price shall initially be \$0.50, subject to adjustment as set forth in Subparagraph E(iii). The number of shares of Common Stock into which each share of Series B Preferred Stock is convertible is herein referred to as the "Conversion Rate." For purposes of this Subparagraph E(i), such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series B Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date.

(ii) Mechanics of Conversion. Before any holder of Series B Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series B Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series B Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid.

(iii) The Conversion Price in effect at any time and the number and kind of securities issuable upon conversion of the Series B Preferred Stock shall be subject to adjustment from time to time upon the happening of certain events as follows:

(a) Adjustment for (i) Common Stock Dividends and Distributions, (ii) Subdivision or Reclassification of Common Stock, or (iii) Combination or Reclassification of Common Stock. In case the Corporation shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, the applicable Conversion Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Conversion Price by a fraction, the denominator of which shall be the number of shares of Common Stock outstanding after

giving effect to such action, and the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) Adjustment for Issuance of Rights or Warrants. In case the Corporation shall fix a record date for the issuance of rights or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock (or securities convertible into Common Stock) at a price (the "Subscription Price") (or having a conversion price per share) less than the Conversion Price on such record date, the Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the date of such issuance by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding on the record date mentioned below and the number of additional shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered (or the aggregate conversion price of the convertible securities so offered) would purchase at the Conversion Price in effect immediately prior to the date of such issuance, and the denominator of which shall be the sum of the number of shares of Common Stock outstanding on such record date and the number of additional shares of Common Stock offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever such rights or warrants are issued and shall become effective immediately after the record date for the determination of shareholders entitled to receive such rights or warrants; and to the extent that shares of Common Stock are not delivered (or securities convertible into Common Stock are not delivered) after the expiration of such rights or warrants the Conversion Price shall be readjusted to the Conversion Price which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made upon the basis of delivery of only the number of shares of Common Stock (or securities convertible into Common Stock) actually delivered.

(c) Adjustment for Distribution of Evidences of Indebtedness or Assets. In case the Corporation shall hereafter distribute to the holders of its Common Stock evidences of its indebtedness or assets (excluding cash dividends or distributions and dividends or distributions referred to in Subparagraph E(iii)(a) above) or subscription rights or warrants (excluding those referred to in Subparagraph E(iii)(b) above), then in each such case the Conversion Price in effect thereafter shall be determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, the

numerator of which shall be the total number of shares of Common Stock outstanding multiplied by the current market price per share of Common Stock (as defined in Subparagraph E(iii)(i) below), less the fair market value (as determined by the Corporation's Board of Directors) of said assets or evidences of indebtedness so distributed or of such rights or warrants, and the denominator of which shall be the total number of shares of Common Stock outstanding multiplied by such current market price per share of Common Stock. Such adjustment shall be made successively whenever such a record date is fixed. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date for the determination of shareholders entitled to receive such distribution.

(d) Reorganizations, Mergers, Consolidations or Sales of Assets. In case of any reclassification or capital reorganization, or in case of any consolidation or merger of the Corporation with or into another corporation (other than a merger with a subsidiary in which merger the Corporation is the continuing corporation and which does not result in any reclassification or capital reorganization) or in case of any sale, lease or conveyance to another corporation of the property of the Corporation as an entirety, the Corporation shall, as a condition precedent to such transaction, cause effective provisions to be made so that the holders of Shares shall have the right thereafter upon conversion of the Shares in accordance with the provisions of this Subparagraph E(iii), to purchase the kind and amount of shares of stock and other securities and property receivable upon such reclassification, capital reorganization, consolidation, merger, sale or conveyance by a holder of the number of shares of Common Stock which might have been received upon conversion of the Shares immediately prior to such reclassification, consolidation, merger, sale or conveyance. Any such provision shall include a provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in these Articles. The above provisions of this paragraph shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales, transfers or other dispositions. Nothing herein shall be construed as to require the consent of the holder to any such reorganization, reclassification, consolidation, merger, sale, transfer or other disposition.

(e) Sale of Shares Below the Series B Preferred Stock Conversion Price. In case the Corporation shall issue shares of its Common Stock (excluding shares issued (a) in any of the transactions

described in Subparagraph E(iii)(a) above, (b) to any of the Corporation's employee's, consultants, advisors, officers or directors (or any affiliate thereof) pursuant to a plan, agreement or arrangement duly adopted by the Board of Directors, (c) upon exercise of any rights, options or warrants issued to any of the Corporation's employees, consultants, advisors, officers or directors pursuant to the Corporation's stock option plan that is in existence as of the date of the filing of these Articles of Amendment or pursuant to any other plan, agreement or arrangement duly adopted by the Board of Directors, (d) as contemplated by that certain Series B Preferred Stock Purchase and Strategic Alliance Agreement, dated as of January 2000 ("Series B Agreement"), (e) upon exercise of options granted pursuant to any plan, agreement or arrangement duly adopted by the Corporation, if such shares would otherwise be included in this Subparagraph E(iii)(e), (f) upon exercise of options and warrants outstanding as of the date of the filing of these Articles of Amendment, or conversion of the Corporation's Series A Convertible Preferred Stock or Series B Preferred Stock, (g) upon exercise of the warrants sold pursuant to the terms of, or as contemplated by, the Series B Agreement ("Warrants"), (h) to shareholders of any corporation which merges into the Corporation in proportion to their stock holdings of such corporation immediately prior to such merger, upon such merger, or (i) issued in a bona fide public offering pursuant to a firm commitment underwriting, but only if no adjustment is required pursuant to any other specific subsection of this Subparagraph E(iii) with respect to the transaction giving rise to such rights) for a consideration per share (the "Offering Price") less than the Conversion Price, the Conversion Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares and the number of shares of Common Stock which the aggregate consideration received (determined as provided in Subparagraph E(iii)(h) below) for the issuance of such additional shares would purchase at the Conversion Price in effect immediately prior to the date of issuance, and the denominator of which shall be the number of shares of Common Stock outstanding immediately after the issuance of such additional shares. Such adjustment shall be made successively whenever such an issuance is made.

(f) Issuance of Securities Exercisable, Convertible Into or Exchangeable for Common Stock Below the Series B Preferred Stock Conversion Price. In case the Corporation shall issue any securities exercisable, convertible into or exchangeable for its Common Stock (excluding (i) the issuance of any Series B Preferred Stock or Series A



Convertible Preferred Stock, (ii) the issuance of the Warrants, (iii) securities issued in transactions described in Subparagraphs E(iii)(a) and (c) above, (iv) rights, options and/or warrants issued to any of the Corporation's employee's, consultants, advisors, officers or directors (or any affiliate thereof) pursuant to the Corporation's stock option plan that is in existence as of the date of filing of these Articles of Amendment or pursuant to any other plan, agreement or arrangement duly adopted by the Board of Directors or (v) pursuant to any plan agreement or arrangement duly adopted by the Corporation, if such securities would otherwise be included in this subparagraph (E(iii)(f)) for a consideration per share of Common Stock (the "Exchange Price") initially deliverable upon exercise, or conversion or exchange of such securities (determined as provided in Subparagraph E(iii)(h) below) less than the Conversion Price, the Conversion Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to the issuance of such securities and the number of shares of Common Stock which the aggregate consideration received (determined as provided in Subparagraph E(iii)(h) below) for such securities would purchase at the Conversion Price in effect immediately prior to the date of issuance, and the denominator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to such issuance and the maximum number of shares of Common Stock of the Corporation deliverable upon conversion of or in exchange for such securities at the initial conversion or exchange price or rate. Such adjustment shall be made successively whenever such an issuance is made.

(g) Whenever the Conversion Price payable upon conversion of the Shares is adjusted pursuant to Subparagraphs E(iii)(a), (b), (c), (e), and (f) above, the number of Conversion Shares purchasable upon conversion of the Shares shall simultaneously be adjusted by multiplying the number of Conversion Shares initially issuable upon conversion of the Shares by the Conversion Price in effect on the date hereof and dividing the product so obtained by the Conversion Price, as adjusted.

(h) For purposes of any computation respecting consideration received pursuant to Subparagraphs E(iii)(e) and (f) above, the following shall apply:

(i) in the case of the issuance of shares of Common Stock for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any

commissions, discounts or other expenses incurred by the Corporation for any underwriting of the issue or otherwise in connection therewith;

(ii) in the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors of the Corporation (irrespective of the accounting treatment thereof), whose determination shall be conclusive; and

(iii) in the case of the issuance of securities exercisable, or convertible into or exchangeable for shares of Common Stock, the aggregate consideration received therefor shall be deemed to be the consideration received by the Corporation for the issuance of such securities plus the additional minimum consideration, if any, to be received by the Corporation upon the exercise, conversion or exchange thereof (the consideration in each case to be determined in the same manner as provided in clauses (i) and (ii) of this Subparagraph E(iii)(h)).

(i) For the purpose of any computation under Subparagraph E(iii)(c) above, the current market price per share of Common Stock at any date shall be deemed to be the higher of (a) the average of the prices for 30 consecutive business days before such date or (b) the price on the business day immediately preceding such date determined as follows:

(i) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the Nasdaq National Market, the current market value shall be the last reported sale price of the Common Stock on such exchange or market on the last business day prior to the date of conversion or if no such sale is made on such day, the average closing bid and asked prices for such day on such exchange or market; or

(ii) If the Common Stock is not so listed or admitted to unlisted trading privileges, but is traded on the Nasdaq SmallCap Market, the current market value shall be the average of the closing bid and asked prices for such day on such market and if the Common Stock is not so traded, the current market value shall be the mean of the last reported bid and asked prices reported by the

National Quotation Bureau, Inc. on the last business day prior to the date of conversion; or

(iii) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value shall be an amount, not less than book value thereof as at the end of the most recent fiscal year of the Corporation ending prior to the date of conversion, determined in such reasonable manner as may be prescribed by the Board of Directors of the Corporation.

(j) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least five cents (\$0.05) in such price; provided, however, that any adjustments which by reason of this Subparagraph E(iii)(j) are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this Subparagraph E(iii) shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be. Anything in this Subparagraph E(iii) to the contrary notwithstanding, the Corporation shall be entitled, but shall not be required, to make such changes in the Conversion Price, in addition to those required by this Subparagraph E(iii)(j), as it shall determine, in its sole discretion, to be advisable in order that any dividend or distribution in shares of Common Stock, or any subdivision, reclassification or combination of Common Stock, hereafter made by the Corporation shall not result in any Federal Income tax liability to the holders of Common Stock or securities convertible into Common Stock (including Shares).

(k) Notice of Adjustment. Whenever the Conversion Price is adjusted, as herein provided, the Corporation shall promptly but no later than 15 days after any request for such an adjustment by the Holder, cause a notice setting forth the adjusted Conversion Price and adjusted number of Conversion Shares issuable upon conversion of the Series B Preferred Stock, and, if requested, information describing the transactions giving rise to such adjustments, to be mailed to the Holders at their last addresses appearing in the Corporation's Stock Register, and shall cause a certified copy thereof to be mailed to its transfer agent, if any. The Corporation may retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Corporation) to make any computation required by this Subparagraph E(iii), and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.

(l) In the event that at any time, as a result of an adjustment made pursuant to Subparagraph E(iii)(a) above, the holders of Shares thereafter shall become entitled to receive any shares of the Corporation, other than Common Stock, thereafter the number of such other shares so receivable upon conversion of this Shares shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Stock contained in Subparagraphs D E(iii)(a), (b), (c), (e), (f), (g), (h), (i), and (j) above.

(iv) Automatic Conversion. If (i) the closing bid price of the Corporation's Common Stock equals or exceeds 200% of the Conversion Price for 20 consecutive trading days commencing at any time after the Corporation has a public trading market for its Common Stock and (ii) either a registration statement covering the Conversion Shares has been declared effective by the Securities and Exchange Commission and remains effective or at least two years has elapsed since the date the Series B Preferred Stock is issued, the Shares may, at the sole discretion of the Corporation, be automatically converted, without any action by the holder hereof, into shares of Common Stock of the Corporation at the Conversion Price.

(v) (a) Fractional Shares. No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon the conversion of the Series B Preferred Stock. In lieu of any fractional shares to which a holder would otherwise be entitled, the Corporation shall pay cash, equal to such fraction multiplied by the closing price (determined as provided in Subparagraph E(v)(b)) of the Common Stock on the day of conversion.

(b) For the purposes of any computation under Subparagraph E(v)(a), the current market price per share of Common Stock on any date shall be deemed to be the average of the daily closing prices for the 30 consecutive business days prior to the day in question. The closing price for each day shall be the last sales price or in case no sale takes place on such day, the average of the closing high bid and low asked prices, in either case (a) as officially quoted by the Nasdaq SmallCap Market or the Nasdaq National Market or such other market on which the Common Stock is then listed for trading, or (b) if, in the reasonable judgment of the Board of Directors of the Corporation, the Nasdaq SmallCap Market or the Nasdaq National Market is no longer the principal United States market for the Common Stock, then as quoted on the principal United States market for the Common Stock, as determined by the Board of Directors of the Corporation, or (c) if, in the reasonable judgment of the Board of Directors of the

Corporation, there exists no principal United States market for the Common Stock, then as reasonably determined by the Board of Directors of the Corporation.

(vi) Reservation of Common Stock Issuable Upon Conversion. All Common Stock which may be issued upon conversion of the Series B Preferred Stock will, upon issuance, be duly issued, fully paid and non-assessable, free from all taxes, liens, and charges with respect to the issuance thereof, and free from all preemptive rights or similar rights. At all times that any shares of Series B Preferred Stock are outstanding, the Corporation shall have authorized and shall have reserved for the purpose of issuance upon such conversion into Common Stock of all Series B Preferred Stock, a sufficient number of shares of Common Stock to provide for the conversion of all outstanding shares of Series B Preferred Stock at the then effective Conversion Rate. Without limiting the generality of the foregoing, if, at any time, the Conversion Price is decreased, the number of shares of Common Stock authorized and reserved for issuance upon the conversion of the Series B Preferred Stock shall be proportionately increased.

(vii) Intentionally omitted.

(viii) Payment of Taxes. The Corporation will pay any taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of shares of the Series B Preferred Stock, exclusive of any income tax liability incurred by any recipient, distributee or assignee upon conversion of the Series B Preferred Stock. However, the Corporation shall not be required to pay any tax which may be payable in respect to any transfer involved in the issue and delivery of shares of Common Stock upon conversion in a name other than that in which the shares of the Series B Preferred Stock so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue or delivery 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.

(ix) Intentionally omitted.

(x) No Dilution or Impairment. The Corporation will not, by amendment of its Articles of Incorporation, as amended, or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Subparagraph E and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Series B Preferred Stock against impairment.

(xi) No Reissuance of Series B Preferred. No shares of Series B Preferred Stock which have been converted to Common Stock shall be reissued by the Corporation, provided, however, that any such share, upon being converted and cancelled, shall be restored to the status, of an authorized but unissued share of preferred stock without designation as to series, rights or preferences and may thereafter be issued as a share of preferred stock not designated as Series B Preferred Stock.

F. Miscellaneous.

(i) There is no sinking fund with respect to the Series B Preferred Stock.

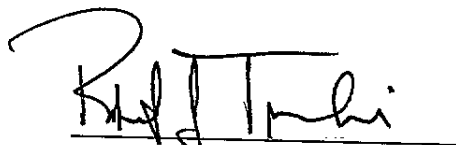
(ii) The shares of the Series B Preferred Stock shall not have any preferences, voting powers or relative, participating, optional, preemptive or other special rights except as set forth above in the Articles of Incorporation of the Corporation, as amended, provided, however that the holders of the Series B Preferred Stock may enter into one or more agreements with the Corporation or its shareholders with respect to such holders' preferences, voting powers or relative, participating, optional, preemptive or other special rights.

(iii) The holders of the Series B Preferred Stock shall be entitled to receive all communications sent by the Corporation to the holders of the Common Stock.

3. No shareholder action was required for the approval of the foregoing amendment.

4. The foregoing amendment was duly adopted by the Board of Directors of the Corporation on January 7, 2000.

Signed this 18<sup>th</sup> day of January, 2000.

  
Robert J. Timinski  
Director, President and  
Chief Merchandising Officer