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Bob Cohen

Requestor's Name

1435 E. Palmont Dr., 201-B

Address

Tallahassee, FL 32312 385-8556

City/State/Zip

Phone #

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TALLAHASSEE, FLORIDA

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CORPORATION NAME(S) & DOCUMENT NUMBER(S), (if known):

1. Magna Holding Corporation
(Corporation Name) (Document #)
2. ~~Magna Underwriting Agency, Inc.~~
(Corporation Name) (Document #)
3. _____
(Corporation Name) (Document #)
4. _____
(Corporation Name) (Document #)

- ☐ Walk in ☒ Pick up time 3 p.m. ☒ Certified Copy
☐ Mail out ☐ Will wait ☐ Photocopy ☐ Certificate of Status

NEW FILINGS	
<input type="checkbox"/>	Profit
<input type="checkbox"/>	NonProfit
<input type="checkbox"/>	Limited Liability
<input type="checkbox"/>	Domestication
<input type="checkbox"/>	Other

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	
<input type="checkbox"/>	Annual Report
<input type="checkbox"/>	Fictitious Name
<input type="checkbox"/>	Name Reservation

REGISTRATION/ QUALIFICATION	
<input type="checkbox"/>	Foreign
<input type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	Reinstatement
<input type="checkbox"/>	Trademark
<input type="checkbox"/>	Other

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Call when Ready
385-8556

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DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA
G. COULLETTE JAN 14 2000

Examiner's Initials

**ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF
MAGNA HOLDING CORPORATION**

Pursuant to Chapter 607, Florida Statutes, and the By-laws, the Corporation hereby adopts the following Articles of Amendment to its Articles of Incorporation:

1. Article VI of the Articles of Incorporation of Magna Holding Corporation is hereby amended to read as follows:

ARTICLE VI. OFFICERS AND DIRECTORS

This Corporation shall have five (5) directors and never less than five (5) directors, all of whom are natural persons and all of whom are over the age of 18. The Corporation shall have at least four (4) officers, all of whom are natural persons and all of whom are over the age of 18. The terms of office of the officers and directors shall be for not more than one year after the date of this amendment to the Articles of Incorporation of the Corporation. The names and residence street addresses of the officers and directors whose terms of office shall be for one year are:

Robert T. Savage, Jr.
16 Governors Hill
Columbia, SC 29201

Director

Gerrard Lee-Innis
42B Mace Place
Haleland, Naraval
Trinidad, West Indies

Director

John Lombardo
27595 Riverbank Drive
Bonita Springs, FL 34134

Director/Chairman/President/CEO

Tal P. Piccione
7 Pharis Place
Upper Saddle River, NJ 07458

Director

Richard Davies
319 Howard Avenue
Fairlawn, NJ 07410

Director/Senior Vice President/Secretary

Brian McGuire
29 South Bay Avenue
Brightwaters, NY 11718

Senior Vice President

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Elizabeth R. Monts
149 Glenbrook Circle
Columbia, SC 29204

CFO/Treasurer/Assistant Secretary

2. Article VIII is hereby added to the Articles of Incorporation of Magna Holding Corporation to read as follows:

ARTICLE VIII. CONSENT RIGHTS

Without the prior approval of (a) each of the Seibels Designee, the NEM designee and the Fenelon Designee and (b) each of SCIC, Catawba, CAIC, NEM and Fenelon, each of the Companies shall not amend or repeal any provision of these Articles of Incorporation or its By-laws (including, without limitation, any change in the number of directors comprising its Board or the establishment of any committee thereof), and shall not take any fundamental corporate action, including without limitation:

- (i) any change in its corporate organization or structure;
- (ii) directly or indirectly (a) declare or pay any dividends or make distributions in cash, property or securities upon any of its capital stock; or (b) effect a split, combination or reclassification of its outstanding capital stock;
- (iii) directly or indirectly redeem, purchase or otherwise acquire any shares of its capital stock (or the capital stock of its Affiliate) or rights to acquire such shares of capital stock (or the capital stock of its Affiliate);
- (iv) issue any shares of capital stock or rights to acquire capital stock other than pursuant to options, warrants, conversion or subscription rights in existence on the Effective Date;
- (v) merge, consolidate with, or otherwise acquire any Person (whether by stock purchase, asset purchase or otherwise), or sell, lease, transfer, exchange or dispose of any assets other than in the ordinary course of business;
- (vi) acquire any of the assets or ownership of any Person or participate in any joint venture, partnership or other similar entity;
- (vii) create, incur, assume, guaranty, suffer to exist, agree to purchase or repurchase or pay or provide funds in respect of, whether directly or indirectly, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness;
- (viii) make any payment (in cash or property) to, or enter into, any other transaction with any of its Affiliates or any Stockholder, other than (A) payments made, or transactions entered into, pursuant to or contemplated by the Securities Purchase Agreement or the other Transaction

Documents (as defined in the Securities Purchase Agreement) (including any reinsurance agreements with USRE, brokerage arrangements pursuant to the Broker of Record Letter with USRE (as each such item is defined in the Securities Purchase Agreement)), and (B) payments made to, or transactions entered into with, an entity which subsequently becomes an Affiliate of a Stockholder, provided that the terms of the agreement or arrangement under which such payments are being made are competitive with those available from non-related parties in an arms-length transaction;

(ix) terminate the employment or otherwise replace its Chief Executive Officer, President or Chief Financial Officer;

(x) establish its annual budget;

(xi) make any material change in its annual budget after it has been approved by its Board;

(xii) compensate or agree to compensate (including payment of salary, benefits and bonuses) officers or employees of the Companies whose annual compensation exceeds \$100,000;

(xiii) the adoption of, amendment to or termination of, any personnel policy or any employee benefit plan, including, without limitation, any profit-sharing, pension, incentive, bonus or severance plan or similar plan, and the establishment of, or change to, any principles or practices governing pension funds or pension benefits;

(xiv) engage or dismiss its independent certified public accountants;

(xv) create any Subsidiary;

(xvi) liquidate, wind-up, dissolve or adopt any plan with respect to liquidation, winding-up or dissolution;

(xvii) file a petition under the United States Bankruptcy Code or any other insolvency law, or admit in writing its bankruptcy, insolvency, or general inability to pay its debts, or consent to the appointment of any receiver, liquidator or other Person performing similar functions;

(xviii) make any material change in the nature of its business or underwriting strategy, or in the terms of any of its reinsurance arrangements;

(xix) adopt any business plan;

(xx) acquire, lease, transfer or otherwise dispose of assets in excess of \$100,000 in any one transaction or a series of related transactions;

(xxi) initiate or settle any judicial or administrative proceedings involving any of the Companies;

(xxii) authorize, agree or enter into any agreement, or permit any of its Subsidiaries to authorize, agree or enter into any agreement, to do any of the actions listed in this Article VII;

Provided, however, that notwithstanding any of the above, (i) with respect to a grant of registration rights to all of the Stockholders or the registration of any securities of the Company with the Securities and Exchange Commission or any other government regulatory bodies, and (ii) with respect to the authorizing and carrying out of a (a) Qualified Public Offering or (b) private placement to a third party who is not an Affiliate of any of the Investors (a "Third Party Private Placement") of shares of authorized or outstanding stock of the Company in an amount not to exceed 35% of the issued and outstanding stock of the Company prior to any such Third Party Private Placement, such actions shall not be subject to the unanimity requirement of subsections (a) and (b) of this Article VIII above, but shall require only the prior approval of 80% of the Board and the holders of a majority of the then outstanding Common Stock of the Company.

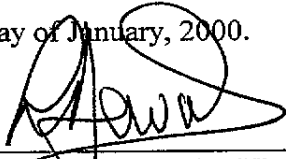
Capitalized terms used in this Article VIII of these Articles of Incorporation and not otherwise defined shall have the meanings ascribed to such terms in the Stockholders' Agreement dated January 2000 among Magna Holding Corporation, a Florida corporation (the "Company"); Magna Florida Insurance Company, Inc., a Florida corporation and wholly-owned subsidiary of the Company ("Magna"); Magna Underwriting Agencies, Inc., a Florida corporation ("MUA"); South Carolina Insurance Company, a South Carolina corporation ("SCIC"); Catawba Insurance Company, a South Carolina corporation ("Catawba"); Consolidated American Insurance Company, a South Carolina corporation ("CAIC"); Fenelon Ventures II, LLC, a Delaware limited liability company and wholly-owned subsidiary of U.S. RE Companies, Inc. ("Fenelon"); and N.E.M. (West Indies) Insurance Limited, a Trinidad and Tobago corporation licensed in the U.S. Virgin Islands ("NEM").

3. This amendment was adopted as of the 14th day of January, 2000 by unanimous consent of the Board of Directors. Shareholder action was not required for approval of this amendment.

4. All other portions of the Articles of Incorporation shall remain the same.

Signed as of the 14th day of January, 2000.

Signature


Richard Davies, Senior Vice President/Secretary
Magna Holding Corporation