

CCRS
103 N. MERIDIAN STREET, LOWER LEVEL
TALLAHASSEE, FL 32301
222-1173

598502

FILING COVER SHEET
ACCT. #FCA-14

CONTACT: CINDY HICKS

DATE: 8-25-99

REF. #: 0150. 8045

CORP. NAME: International Fast Foods Corporation

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99 AUG 25 AM 10:19
DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

Amend

- ARTICLES OF INCORPORATION
- 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:

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE FEES PREPAID WITH CHECK# 5738 FOR \$ 43.75

AUTHORIZATION FOR ACCOUNT IF TO BE DEBITED: 200002969362--7
-08/25/99--01034--001
*****43.75 *****43.75

COST LIMIT: \$ _____

PLEASE RETURN:

- CERTIFIED COPY
- CERTIFICATE OF GOOD STANDING
- PLAIN STAMPED COPY

BJR
Examiner's Initials 8/25/99

CERTIFICATE OF DESIGNATION, PREFERENCES, RIGHTS AND LIMITATIONS

OF

SERIES B CONVERTIBLE PREFERRED STOCK, \$.01 PAR VALUE

OF

INTERNATIONAL FAST FOOD CORPORATION

**PURSUANT TO SECTION 607.0602 OF THE
FLORIDA BUSINESS CORPORATION ACT**

INTERNATIONAL FAST FOOD CORPORATION, hereinafter called the "Company," a corporation organized and existing under the Florida Business Corporation Act, does hereby certify that, pursuant to the authority conferred upon the Board of Directors of the Company by the Amended and Restated Articles of Incorporation of the Company, and pursuant to the provisions of §607.0602 of the Florida Business Corporation Act, said Board of Directors, by actions duly taken on August 16, 1999, duly adopted a resolution providing for the issuance of a series of 400,000 shares of the Company's Series B Convertible Preferred Stock, \$.01 par value, which resolution is as follows:

RESOLVED, that pursuant to the authority expressly granted and vested in the Board of Directors of this Company in accordance with the provisions of its Amended and Restated Articles of Incorporation, a series of preferred stock of the Company be and it hereby is given the distinctive designation of "Series B Convertible Preferred Stock," said series to consist of 400,000 shares having a par value of \$.01 per share, of which the preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof shall be as follows:

(a) Designation and Rank.

The series of preferred stock is designated "Series B Convertible Preferred Stock," and the number of shares which shall constitute such Series shall be 400,000 shares, par value \$.01 per share. All shares of Series B Convertible Preferred Stock shall rank equally with respect to liquidation preferences with the highest ranking preferred stock of the Company previously or hereinafter designated by the Board of Directors.

(b) Dividends.

The Company shall pay dividends on the Series B Convertible Preferred Stock at an annual rate of 3.0% of the Liquidation Value (as defined below) per annum and no more. All such dividends may, at the option of the Company, be paid through the issuance of shares of the Series B Convertible Preferred Stock, cash or a combination of cash and Series B Convertible Preferred Stock. Dividends shall accrue beginning on December 31, 2001 and shall be paid annually beginning on December 31, 2002 in each year through the date of conversion of such preferred stock (the "Dividend Payment Dates"), to all holders of record on a date not more than 10 days

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prior to the date on which such dividends are payable. For purposes of paying dividends in shares of Series B Convertible Preferred Stock, the price of the Series B Preferred Stock shall be the Liquidation Value.

(i) The Series B Convertible Preferred Stock shall be preferred as to the payment of dividends over the shares of all Common Stock and any other class or classes of stock of the Company but shall rank in parity with any class of preferred stock of the Company, if any, which so provides.

(ii) Accruals of dividends shall not bear interest.

(iii) If at any time after January 1, 2003, the Company's Common Stock (the "Common Stock") has a Current Market Price of \$1.28 or higher, the dividend rights of the Series B Convertible Preferred Stock shall be cancelled. For purposes hereof, the term "Current Market Price" means the average of the daily Closing Price per share of the Common Stock for the ten consecutive Trading Days immediately prior to the date in question. The term "Closing Price" means the closing sale price, regular way, on the applicable day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in each case on the Nasdaq National Market or SmallCap Market, or, if such security is not listed or admitted for trading on such exchange, on the principal national securities exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system, the best bid offered price on the OTC Bulletin Board Service (the "OTC BBB") on days when transactions in the Common Stock of the Company are not effected, or on such days as transactions are effected on the OTC BBS, the highest price at which a trade was executed as reported to the National Association of Securities Dealers, Inc. through the Automated Confirmation Transaction Service. The term "Trading Day" means any day on which the OTC BBS or the Nasdaq National Market or SmallCap Market System is open for the transaction of business.

(c) Dissolution, Liquidation or Winding-Up.

In the event of a dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, the holders of each share of Series B Convertible Preferred Stock by reason of their ownership thereof, shall be entitled to receive in exchange for their Series B Convertible Preferred Stock, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of Common Stock and any other class or classes of stock of the Company (except those that shall rank in parity with the Series B Convertible Preferred Stock), an amount equal to One Hundred Dollars (\$100.00) per share (the "Liquidation Value"), plus all accrued but unpaid dividends, whether or not declared, on such shares.

If upon any such liquidation, dissolution or winding-up of the Company, its net assets shall be insufficient to permit the payment in full of the amounts to which holders of all outstanding shares of the Series B Convertible Preferred Stock are entitled as above provided, the entire net assets of the Company remaining shall be distributed among the holders of shares of Series B Convertible Preferred Stock in amounts proportionate to the full preferential amounts to which

they and holders of shares of preferred stock if any, ranking in parity with the Series B Convertible Preferred Stock as to rights and preferences are respectively entitled. For the purpose of this Section (c), the voluntary sale, lease, exchange or transfer, for cash, shares of stock, securities or other consideration, of all or substantially all of the Company's property or assets to, or its consolidation or merger with, one or more corporations, shall not be deemed to be a liquidation, dissolution or winding-up of the Company, voluntary or involuntary.

(d) Voting Rights.

Except as otherwise specifically provided by the Company's Articles of Incorporation or by Florida law, the holders of Series B Convertible Preferred Stock shall not be entitled to vote on any matters required or permitted to be submitted to the shareholders of the Company for their approval.

(e) Conversion Provisions.

The holders of the Series B Convertible Preferred Stock shall have conversion rights as follows:

(i) Right to Convert. Subject to the provisions for adjustment set forth below, each of Series B Convertible Preferred Stock shall be convertible, at the option of the holder thereof and upon surrender of the certificate or certificates evidencing the shares to be converted to the transfer agent or the Company for the Series B Convertible Preferred Stock, into fully paid and nonassessable shares of Common Stock of the Company at a conversion price of \$.66 per share (the "Conversion Price"), subject to adjustment as described in paragraph (iii) below.

(ii) Issuance of Shares of Common Stock on Conversion. As promptly as practicable after the surrender of shares of Series B Convertible Preferred Stock for conversion in the manner herein provided, the Company shall deliver or cause to be delivered, at the office or agency at which such surrender is made, to or upon the written order of the holder of shares of Series B Convertible Preferred Stock so surrendered, certificates representing the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock of the Company into which such shares of Series B Convertible Preferred Stock may be converted and cash in respect of any fraction of a share of Common Stock issuable upon such conversion. Any such conversion shall be deemed to have been made immediately prior to the close of business on the date on which such share(s) of Series B Convertible Preferred Stock shall have been surrendered for conversion in the manner herein provided accompanied by written notice, so that the rights of the holder of such share(s) of Series B Convertible Preferred Stock as holders thereof, shall cease at such time and the person or persons entitled to receive the shares of Common Stock upon conversion of the Series B Convertible Preferred Stock shall be treated for all purposes as having become the record holder or holders of such shares of Common Stock at such time; provided, however, that no such surrender on any date when the stock transfer books of the Company shall be closed shall be effective to constitute the person or persons entitled to receive shares of Common Stock, upon conversion of such shares of Series B Convertible Preferred Stock, as the

record holder or holders of such shares on such date, but such surrender shall be effective to constitute the person or persons entitled to receive such shares of Common Stock as the record holders or holders thereof for all purposes at the opening of business on the next succeeding day on which such stock transfer books are open and such conversion shall be at the applicable Conversion Price in effect at such time.

(iii) Adjustment of Conversion Price. The Conversion Price shall be subject to adjustment from time to time as follows:

(a) In the event that the Company shall at any time after the date hereof subdivide or combine the outstanding shares of Common Stock or issue additional shares of Common Stock as a dividend or other distribution on the Common Stock, the Conversion Price in effect immediately prior to such subdivision or combination of such shares or share dividend or distribution shall be proportionately adjusted so that, with respect to each such subdivision of shares or share dividend or distribution, the number of shares of Common Stock deliverable upon conversion of each share of Series B Convertible Preferred Stock shall be increased in proportion to the increase in the number of shares of the then outstanding Common Stock resulting from such subdivision of shares or share dividend or distribution, and with respect to each such combination of shares, the number of shares of the Common Stock deliverable upon conversion of each share of Series B Convertible Preferred Stock shall be decreased in proportion to the decrease in the number of shares of the then outstanding Common Stock resulting from such combination of shares. Any such adjustment in the Conversion Price shall become effective, in the case of any such subdivision or combination of shares, at the close of business on the effective date thereof, and, in the case of any such share dividend or distribution, at the close of business on the record date fixed for the determination of shareholders entitled thereto or on the first business day during which the stock transfer books of the Company shall be closed for the purpose of such determination, as the case may be.

(b) In the case of any capital reorganization or any reclassification of the Common Stock, or in the case of the consolidation or merger of the Company with or into any other corporation or in case of any sale or transfer of all or substantially all of the assets of the Company, the holder of each share of Series B Convertible Preferred Stock then outstanding shall have the right thereafter to convert the Series B Convertible Preferred Stock into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification, consolidation, merger, sale or transfer by a holder of the number of shares of Common Stock of the Company into which such share(s) of Series B Convertible Preferred Stock might have been converted immediately prior to such reorganization, reclassification, consolidation, merger, sale or transfer; and in any such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Company) shall be made in the application of the provisions of this Section (iii) (including provisions with regard to the adjustment of the Conversion Price) in order that the rights and interests of the holders thereafter shall be as nearly equivalent as may be practicable to the rights and interests provided for in this Section.

(c) Notwithstanding anything to the contrary provided herein, no adjustment in the Conversion Price shall be required unless such adjustment would result in an increase or decrease of at least 5% in the Conversion Price or the Conversion Price as last adjusted, as the case may be; provided however, that any adjustments which by reason of this subparagraph (c) are not required to be made shall be carried forward until used and taken into account in any subsequent adjustment.

(d) The provisions of this Section (iii) shall similarly apply to successive subdivisions, combinations reorganizations, reclassifications, consolidations, mergers, sales or transfers.

(e) For the purpose of making the adjustments referred to in the applicable provisions of this Section (iii), the books of the Company shall, absent manifest error, control absolutely in determining the number of outstanding shares of Common Stock and the number of additional shares issued or decreased as a result of any stock dividend, subdivision or combination.

(iv) No Fractional Shares to be Issued. No fractional share of Common Stock shall be issued upon the conversion of the Series B Convertible Preferred Stock. Instead of any fractional share of Common Stock which would otherwise be issuable upon conversion of any share(s) of Series B Convertible Preferred Stock, the Company shall pay to the holder thereof, a cash adjustment in respect of such fraction in an amount equal to the same fraction of the closing price per share of Common Stock as of the business day next preceding the date of such conversion as of which the Closing Price can be determined.

(v) Reservation of Common Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares the full number of shares of Common Stock into which all shares of Series B Convertible Preferred Stock from time to time outstanding are convertible.

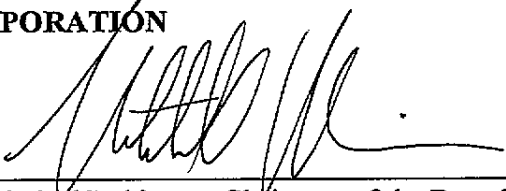
(f) Reacquired Shares.

Any shares of Series B Convertible Preferred Stock that have been issued and subsequently reacquired by the Company upon their conversion for shares of Common Stock or purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares upon their cancellation shall become authorized but unissued shares of the preferred stock, par value \$.01 per share, of the Company and may be reissued as part of a new series of preferred stock of the Company to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth in the Company's Amended and Restated Articles of Incorporation.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Designation
on August _____, 1999.

**INTERNATIONAL FAST FOOD
CORPORATION**

By: _____


Mitchell Rubinson, Chairman of the Board and
Chief Executive Officer