



P93000011467

ACCOUNT NO. : 072100000032

REFERENCE : 228485 5021572

AUTHORIZATION

COST LIMIT : \$ 35.00

Patricia Pujot

FILED
97 JAN 21 AM 9:40
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ORDER DATE : January 21, 1997

ORDER TIME : 9:16 AM

ORDER NO. : 228485-005

CUSTOMER NO: 5021572

500002063225--8

CUSTOMER: Ms. Jane Walker
Grocock Loftis & Abramson
Suite 200
126 East Jefferson Street
Orlando, FL 32801

DOMESTIC AMENDMENT FILING

NAME: GTI TELECOM, INC.

EFFECTIVE DATE:

XX ARTICLES OF AMENDMENT
 RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

 CERTIFIED COPY
XX PLAIN STAMPED COPY
 CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Daniel W Leggett

EXAMINER'S INITIALS:

N. HENDRICKS JAN 22 1997

RECEIVED
97 JAN 21 AM 10:40
DIVISION OF CORPORATION

ARTICLES OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
GTI TELECOM, INC.

FILED
97 JAN 21 AM 9:40
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

GTI Telecom, Inc., a corporation existing under the laws of the State of Florida, pursuant to Section 607.0602 of the Florida Business Corporation Act, hereby amends its Articles of Incorporation as follows:

1. Article IV of the Articles of Incorporation is hereby amended to add a new Section 4 to read as set forth on Exhibit "A" attached hereto and incorporated herein by reference.

2. The foregoing Amendment was adopted on January 17, 1997, by the unanimous written consent of the Board of Directors of the corporation pursuant to Section 607.0821 of the Florida Business Corporation Act. Pursuant to Section 607.0602 of the Florida Business Corporation Act, no approval of the amendment was required by the shareholders of the corporation.

3. Except as modified hereby, the Articles of Incorporation of the corporation remain in full force and effect.

Dated this 17 day of January, 1997.

GTI TELECOM, INC.

By: _____


William R. Harger, President

EXHIBIT "A"

Designation of Series A Convertible

Exchangeable Preferred Stock

of

GTI Telecom, Inc.

4. Designation of Series A Convertible Exchangeable Preferred Stock.

1. Certain Definitions.

Unless the context otherwise requires, the terms defined in this paragraph 1 shall have, for all purposes of this resolution, the meanings herein specified (with terms defined in the singular having comparable meanings when used in the plural).

Approved Plan. The term "Approved Plan" shall mean a stock option or other equity participation plan for the Corporation's employees (i) pursuant to which the total number of shares issued or reserved for issuance does not exceed 10% of the Corporation's outstanding Common Stock and (ii) which has been confirmed by the Purchaser to be reasonably acceptable to such Purchaser.

Business Day. The term "Business Day" shall mean a day other than a Saturday or Sunday or any federal holiday.

Card. The term "Card" shall mean a prepaid long distance telephone usage card issued and sold in the normal course of business by the Corporation.

Card Value. The term "Card Value" shall mean, with respect to each Card, an amount equal to the minutes of usage available under such Card at the time of its initial issuance multiplied by the retail price per minute of usage available under such Card at the time of its initial issuance, less a discount of thirty percent (30%).

Common Stock. The term "Common Stock" shall mean the common stock, par value \$.001 per share, of the Corporation.

Conversion Price. The term "Conversion Price" shall initially mean \$43,000 and thereafter shall be subject to adjustment from time to time pursuant to the terms of paragraph 4 below; provided, however, that in the event that any shares of Redeemed Stock become outstanding, the Conversion Price shall mean the Conversion Price in effect at the close of business of the day immediately preceding the date on which such shares of Redeemed Stock become outstanding multiplied by a fraction, the numerator of which is the number of shares of Common Stock outstanding at the close of business of the day immediately preceding the date on which such shares of Redeemed Stock become outstanding and the denominator of which is the number of shares of Common Stock outstanding (including the Redeemed Stock).

Effective Date. The term "Effective Date" shall mean the date on which the Stockholders Agreement becomes effective.

Exchange Date. The term "Exchange Date" shall have the meaning set forth in subparagraph 5(b) below.

Junior Preferred Stock. The term "Junior Preferred Stock" shall mean any stock of the Corporation, other than the Common Stock, ranking junior to the Preferred Stock as to dividends and upon liquidation.

Liquidation Preference. The term "Liquidation Preference" shall mean \$1,000 per share.

Original Issue Price. The term "Original Issue Price" shall mean \$1,000 per share.

Parity Preferred Stock. The term "Parity Preferred Stock" shall mean any stock of the Corporation, other than the Preferred Stock, ranking on par with the Preferred Stock as to dividends and upon liquidation.

Purchaser. The term "Purchaser" shall mean Waterton Investment Group I LLC, a Delaware limited liability company.

Redeemed Stock. The term "Redeemed Stock" shall mean any shares of common stock previously outstanding which were redeemed by the Corporation prior to the Effective Date.

Securities Act. The term "Securities Act" shall mean the Securities Act of 1933, as amended.

Stockholders Agreement. The term "Stockholders Agreement" shall mean that certain Stockholders Agreement, dated as of January 20, 1997, by and among the Purchaser, the Corporation, William R. Harger, and each other party listed on the signature pages thereto.

2. **Dividends.**

Without the prior written consent of holders of a majority of the shares of Preferred Stock then outstanding, (i) no cash dividends or other distributions shall be declared, made, paid or set apart for payment or distribution upon any shares of Common Stock, Junior Preferred Stock or Parity Preferred Stock unless, concurrently therewith, a cash dividend or distribution is made on the Preferred Stock in an amount determined, in the case of Common Stock dividends, as if the holder of any shares of Preferred Stock had converted such shares into Common Stock immediately prior to the close of business on the applicable record date, or, in the case of any dividend on Junior Preferred Stock or Parity Preferred Stock, as if the holders of Preferred Stock held the number of shares of such Junior Preferred Stock or Parity Preferred Stock having the same Liquidation Preference as their shares of Preferred Stock; and (ii) the Corporation shall not, and shall not permit any of its subsidiaries to, directly or indirectly, redeem, purchase or otherwise acquire any Common Stock, Junior Preferred Stock or Parity Preferred Stock for any consideration (or pay any monies to, or make any monies available for, a sinking fund for the redemption of any shares of such stock). Notwithstanding the foregoing, nothing in this resolution shall prevent the Corporation or its subsidiaries from repurchasing shares of Common Stock held by bona fide, full-time employees of the Corporation or its subsidiaries (other than William R. Harger) in connection with the death, disability, or termination of such employees in accordance with the terms of the Approved Plan, provided that the aggregate amount of all such repurchases shall not exceed \$500,000 per fiscal year of the Corporation.

3. **Distributions upon Liquidation, Dissolution, or Winding Up.**

(a) In the event of any voluntary or involuntary liquidation, dissolution, or other winding up of the affairs of the Corporation, before any payment or distribution shall be made to the holders of Common Stock or Junior Preferred Stock, the holders of Preferred Stock shall be entitled to be paid out of the assets of the Corporation in cash or property at its fair market value as determined by the Board of Directors of the Corporation the Liquidation Preference per share plus an amount equal to any dividends accrued and unpaid thereon to the date of such liquidation or dissolution or such other winding up. Except as provided in this paragraph, holders of Preferred Stock shall not be entitled to any distribution in the event of liquidation, dissolution, or winding up of the affairs of the Corporation.

(b) If, upon any such liquidation, dissolution or other winding up of the affairs of the Corporation, the assets of the Corporation shall be insufficient to permit the payment in full of the Liquidation Preference per share plus an amount equal to any dividends accrued and unpaid on the Preferred Stock and the full liquidating payments on all Parity Preferred Stock, then the assets of the Corporation shall be ratably distributed among the holders of Preferred Stock and any Parity Preferred stock in proportion to the full amounts to which they would otherwise be respectively entitled if all amounts thereon were paid in full. Neither the consolidation or merger of the Corporation into or with another corporation or Corporations, nor the sale, lease, transfer or conveyance of all or substantially all of the assets of the Corporation to another corporation or any other entity shall be deemed a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this paragraph 3.

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

(a) Right to Convert. Each share of Preferred Stock shall be convertible, without payment of any additional consideration by the holder thereof, 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 Preferred Stock into such number of fully paid and nonassessable shares of Common Stock as is determined by multiplying each share of Preferred Stock by the Conversion Rate at the time in effect for such share. The initial Conversion Price per share for Shares of Preferred Stock shall be \$43,000; provided, however, that the Conversion Price for the Preferred Stock shall be subject to adjustment as set forth herein.

(b) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock, and shall give written notice by messenger, courier or mail, postage prepaid, 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 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. 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 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. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

(c) Conversion Price Adjustments of Preferred Stock. The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(i) (A) With respect to the Preferred Stock, if at any time or from time to time after the Effective Date the Corporation issues or sells, or is deemed by the express provisions of this subparagraph 4(c)(i) to have issued or sold, any Additional Stock (as defined below) for consideration per share which is less than the Conversion Price for the Preferred Stock in effect immediately prior to such issuance, then in each such case, the then existing Conversion Price for the Preferred Stock shall be forthwith reduced to the per share price received or deemed received by the Corporation upon such issuance or sale, or deemed issuance or sale, of such Additional Stock. Any adjustment to the Conversion Price for the Preferred Stock pursuant to the preceding sentence shall be effective as of the opening of business on the date of the issuance or sale, or deemed issuance or sale of such Additional Stock by the Corporation.

(B) No adjustment of the Conversion Price for the Preferred Stock pursuant to this subparagraph 4(c)(i) shall be made in an amount less than one cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to 3 years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of 3 years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subparagraphs 4(c)(i)(E)(3) and 4(c)(i)(E)(4), no adjustment of such Conversion Price pursuant to this subparagraph 4(c)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance 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 value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(E) Solely for the purpose of calculating the amount of any adjustment which is required, in the case of the issuance of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities (which are not excluded from the definition of Additional Stock), the following provisions shall apply for all purposes of this subparagraph 4(c)(i) and subparagraph 4(c)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subparagraphs 4(c)(i)(C) and 4(c)(i)(D)), if any, received by the Corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subparagraphs 4(c)(i)(C) and 4(c)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon exercise of such options or rights or upon conversion or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the applicable Conversion Price of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the applicable Conversion Price of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subparagraphs 4(c)(i)(E)(1) and 4(c)(i)(E)(2) shall be approximately adjusted to reflect any change, termination or expiration of the type described in either subparagraph 4(c)(i)(E)(3) or 4(c)(i)(E)(4).

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subparagraph 4(c)(i)(E)) by the Corporation after the Effective Date, other than shares of Common Stock issued or issuable:

(a) upon conversion of shares of Preferred Stock;

(b) pursuant to a transaction described in subparagraph 4(c)(iii) or (iv) hereof;

(c) to employees, consultants, officers or directors (other than William R. Harger) of the Corporation pursuant to the Approved Plan;

(d) as a dividend or distribution on Preferred Stock; or

(e) pursuant to a merger or acquisition approved by the holders of a majority of the Preferred Stock then outstanding.

(iii) In the event the Corporation should at any time or from time to time after the Effective Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend, distribution, split or subdivision if no record date is fixed), the Conversion Price of the Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on Conversion of each share of Preferred Stock shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in subparagraph 4(c)(i)(E).

(iv) If the number of shares of Common Stock outstanding at any time after the Effective Date is decreased by a combination of the outstanding shares of Common Stock, then following the record date of such combination, the applicable Conversion Price for the Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of Preferred Stock shall be decreased in proportion to such decrease in outstanding shares.

(v) Notwithstanding anything herein to the contrary, the operation of, and any adjustment of the Conversion Price of the Preferred Stock pursuant to this subparagraph 4(c) may be waived with respect to any specific share or shares of Preferred Stock either prospectively or retroactively and either generally or in a particular instance by a writing executed by the registered holder of such share or shares. Any waiver pursuant to this subparagraph 4(c)(v) shall bind all future holders of shares of Preferred Stock for which such rights have been waived. In the event that a waiver of adjustment of Conversion Price under this subparagraph 4(c)(v) results in different Conversion Prices for shares of Preferred Stock, the Secretary of the Corporation shall maintain a written ledger identifying the Conversion Price of each share of Preferred Stock. Such information shall be made available to any person upon request. For the purposes of this subparagraph 4(c), if different shares of Preferred Stock have more than one Conversion Price as a result of a waiver of adjustment of Conversion Price under this subparagraph 4(c)(v), the Conversion Price for triggering any future adjustment of the Conversion Price of any shares of Preferred Stock which have not had such adjustment waived shall be the lowest Conversion Price in effect with respect to any shares of Preferred Stock.

(d) Other Distributions. In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subparagraph 4(c)(iii), then, in each such case for the purpose of this subparagraph 4(d), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(e) Recapitalization. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than any subdivision, combination or other transaction provided for elsewhere in this Paragraph 4) provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon Conversion of the Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Paragraph 4 with respect to the rights of the holders of the Preferred Stock after the recapitalization to the end that the provisions of this Paragraph 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(f) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation 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 Paragraph 4 and in taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Stock against impairment.

(g) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon conversion of the Preferred Stock and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of the Preferred Stock pursuant to this Paragraph 4, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing

in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price of the Preferred Stock at the time in effect and (C) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of a share of Preferred Stock.

(h) **Notices of Record Date.** In the event of any taking by the Corporation 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 (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property or to receive any other right, the Corporation shall mail to each holder of Preferred Stock at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution, or right.

(i) **Reservation of Stock Issuable Upon Conversion.** The Corporation 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 Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all the then outstanding shares of the Preferred Stock, in addition to such other remedies as shall be available to the holders of such Preferred Stock, the Corporation 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 purposes.

(j) **Notices.** Any notice required by the provisions of this Paragraph 4 to be given to the holders of Preferred Stock shall be deemed given if sent by messenger or courier or deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

5. Exchange.

(a) The holder or holders of a majority of the shares of Preferred Stock then outstanding, at its or their option, may, on or after July 20, 1997, but prior to August 20, 1997, exchange all, but not less than all, of the shares of Preferred Stock held by such holder or holders for Cards. Holders of the outstanding shares of the Preferred Stock will be entitled to receive on the date of any such exchange (x) Cards having an aggregate Card Value equal to the Liquidation Preference of each outstanding share of Preferred Stock held by such holder or holders plus (y) an amount in cash equal to any accrued and unpaid dividends.

(b) Notice of the intention to exchange shall be sent by or on behalf of the holder or holders of Preferred Stock not more than thirty (30) days nor less than ten (10) days prior to the date fixed for the exchange (the "Exchange Date"), by first class mail, postage prepaid, to the Corporation. In addition to any information required by law or by the applicable rules of any exchange upon which the Preferred Stock may be listed or admitted to trading, such notice shall state: (1) the Exchange Date, (ii) the place or places where certificates for such shares are to be surrendered for exchange and (iii) the denominations of Cards to be received by such holder or holders in exchange for such shares of Preferred Stock.

(c) The Corporation will pay any and all taxes that may be payable in respect of the issuance or delivery of Cards in exchange for shares of Preferred Stock. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of Cards in a name other than that in which the shares of Preferred Stock so exchanged were registered.

(d) If notice of any exchange pursuant to this paragraph 5 shall have been mailed as provided in subparagraph 5(b) above, then on and after the close of business on the Exchange Date, the shares of Preferred Stock to be exchanged, notwithstanding that any certificate therefor shall not have been surrendered for cancellation, shall be retired and shall be restored to the status of authorized and unissued shares of preferred stock, without designation as to series and may thereafter be reissued as shares of any series of preferred stock, and all rights with respect to such shares shall forthwith cease and terminate, except the right of the holder thereof to receive, upon surrender of their certificates, Cards in the denominations set forth in the notice given pursuant to subparagraph 5(b) and the dividend payments specified in subparagraph 5(a) above.

6. Voting Rights.

Except as otherwise required by law, the shares of Preferred Stock shall be entitled to vote together with the shares of Common Stock as one class at all annual and special meetings of stockholders of the Corporation, and to act by Written consent in the same manner as the Common Stock, upon the following basis: Each holder of Preferred Stock shall be entitled to such number of votes for the Preferred Stock held by such holder on the record date fixed for such meeting, or on the effective date of such written consent, as shall be equal to the number of whole shares of Common Stock into which all of such holder's shares of Preferred Stock are convertible immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent.

7. Exclusion of Other Rights.

Except as may otherwise be required by law, the shares of Preferred Stock shall not have any voting powers, preferences and relative, participating, optional or other special rights, other than those specifically set forth in this designation (as such designation may be amended from time to time) to the Articles of Incorporation of the Corporation. Except as otherwise provided in the Stockholders Agreement, the shares of Preferred Stock shall have no preemptive or subscription rights and may not be redeemed by the Corporation.

8. Headings of Subdivisions.

The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

9. Severability of Provisions.

If any voting powers, preferences and relative, participating, optional and other special rights of the Preferred Stock and qualifications, limitations and restrictions thereof set forth in this designation (as such designation may be amended from time to time) is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, all other voting powers, preferences and relative, participating, optional and other special rights of Preferred Stock and qualifications, limitations and restrictions thereof set forth in this designation (as so amended) which can be given effect without the invalid, unlawful or unenforceable voting powers, preferences and relative, participating, optional and other special rights of Preferred Stock and qualifications, limitations and restrictions thereof shall, nevertheless, remain in full force and effect, and no voting powers, preferences and relative, participating, optional or other special rights of Preferred Stock and qualifications, limitations and restrictions thereof herein set forth shall be deemed dependent upon any other such voting powers, preferences and relative, participating, optional or other special rights of Preferred Stock and qualifications, limitations and restrictions thereon unless so expressed herein.

clients/gti/agreements/exhibitA to arts of am.