

P95000096029

CARLTON FIELDS

ATTORNEYS AT LAW

HARBOURVIEW BUILDING
25 WEST CEDAR STREET, 4TH FLOOR
PENSACOLA, FLORIDA 32501-5974

MAILING ADDRESS:
P.O. BOX 12426, PENSACOLA, FL 32582-2426
TEL (904) 434-0142 FAX (904) 434-5366

February 4, 1998

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*****35.00 *****35.00

Department of State Division of Corporations
P.O. Box 6327
Tallahassee, Florida 32314

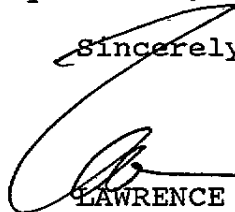
RE: First Amended and Restated Articles of Incorporation of
Merit, Inc.

Dear Sir or Madam:

Enclosed please find the original First Amended and Restated
Articles of Incorporation of Merit, Inc., for filing with your
office. Also enclosed is a check for \$35.00 for the filing fee.
Please return to me at the above address the evidence of filing.

Please contact me with any questions.

Sincerely,


LAWRENCE C. SCHILL

LCS/ktc
w/encl.

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SECRETARY OF STATE
DIVISION OF CORPORATIONS

Amended & Restated.
02-18-98
CC

P#82796.1

CARLTON, FIELDS, WARD, EMMANUEL, SMITH & CUTLER, P.A.

TAMPA

ORLANDO

PENSACOLA

TALLAHASSEE

WEST PALM BEACH

ST. PETERSBURG

MIAMI



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

February 11, 1998

CARLTON FIELDS
LAWRENCE SCHILL
P.O. BOX 12426
PENSACOLA, FL 32582-2426

SUBJECT: MERIT, INC.
Ref. Number: P95000096029

We have received your document for MERIT, INC. and check(s) totaling \$35.00. However, the enclosed document has not been filed and is being returned to you for the following reason(s):

The word "initial" or "first" should be removed from the article regarding directors, officers, and/or registered agent, unless these are the individuals originally designated at the time of incorporation.

The date of adoption of this document must be a date on or prior to submitting the document to this office, and this date must be specifically stated in the document. If you wish to have a future effective date, you must include the date of adoption and the effective date. The date of adoption is the date the document was approved.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6903.

Cheryl Coulliette
Document Specialist

Letter Number: 898A00007825

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February 16, 1998

Cheryl Coulliette
Document Specialist
Florida Department of State
Division of Corporations
Post Office Box 6327
Tallahassee, FL 32314

Re: Merit, Inc.
Reference No: P95000096029

Dear Ms. Coulliette:


I am returning under cover of this letter for filing with your office a copy of your letter dated February 11, 1998 and an original and one copy of First Amended and Restated Articles of Incorporation of Merit, Inc.

The initial registered office and agent and the initial board of directors set out in Articles VII and VIII are, in fact, the individuals originally designated at the time of corporation.

The date of adoption of these First Amended and Restated Articles of Incorporation is now specifically stated in the document.

Please date-stamp the enclosed copy of the First Amended and Restated Articles to indicate the filing date and return it in the enclosed stamped, self-addressed envelope.

Very truly yours,



Debra H. Sincere
Legal Assistant
to Wright Moulton

Enclosures

cc: Lawrence C. Schill, Attorney

P#83329.1

**FIRST AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
MERIT, INC.**

The present name of the corporation is MERIT, INC., ("corporation"). The date the original Articles of Incorporation were filed with the Secretary of State, State of Florida, was December 9, 1995.

These Amended and Restated Articles of Incorporation were duly adopted by the sole director and the sole shareholder of the corporation on even date herewith. The amendments included in these Amended and Restated Articles of Incorporation were duly adopted by the sole director and the sole shareholder of the corporation on October 26, 1997. The Amended and Restated Articles of Incorporation are filed pursuant to Chapter 607, Florida Statutes.

ARTICLE I - NAME

The name of this corporation is MERIT, INC. ("Corporation").

ARTICLE II - PRINCIPAL OFFICE

The address of the principal office of the Corporation is 2831 Inverness Court, Pensacola, Florida 32503.

ARTICLE III - PURPOSE

This Corporation is organized for the purpose of transacting any and all lawful business under the laws of the State of Florida and the laws of the United States.

ARTICLE IV - CAPITAL STOCK

a. General Capital Structure

The Articles authorize the issuance of 1,000 shares of common stock par value \$1.00 per share and 300 shares of Preferred Stock, no par value with the total number of outstanding shares not to exceed 1,000 at any time. The Company currently has outstanding 505 shares pursuant to the Florida Corporation Code.

b. Common Stock

Holders of the Common Stock are entitled to receive dividends when and as declared by the Board from funds legally available therefore. Any such dividends may be paid in cash. Any

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DIVISION OF CORPORATIONS
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future dividends will be subject to the discretion of the Board, and will depend upon, among other things, the operating and financial condition of the Company, capital requirements of the Company, regulatory directives or agreements and general business conditions.

c. Preferred Stock

All shares of Common and Preferred Stock have equal voting rights, and when validly issued and outstanding, have one vote per share on all matters to be voted upon by the stockholders to exclude electing the Board of Directors. (See "Voting Rights".) Cumulative voting in the election of directors is not allowed and a quorum for stockholders meetings shall result from a majority of the issued and outstanding shares present in person or by proxy.

i) Dividend Rights

Holders of the Preferred Stock will be entitled to receive dividends in the amount of their percentage of the total shares issued, Common and Preferred Stock, times sixty-five percent (65%) of the net profits after expenses to include all operating, salary and tax expenses. Any such dividends may be paid in cash. Dividends on the Preferred Stock, if declared, shall accrue from the end of the semi-annual period (January 1st through June 30th or July 1st through December 31st) in which the Company has a net profit and shall be payable within sixty (60) days from the end of the semi-annual period. Each declared dividend shall be payable to holders of record as they appear on the stock records of the Company at the close of business on record dates which shall be on the first day of the month in which a dividend payment date occurs. The Common Stock will not participate in dividends with the Preferred Stock.

Dividends on the Preferred Stock are non-cumulative. If the Board fails to declare a dividend payable on a dividend payment date in respect of the Preferred Stock, then the right of holders of Preferred Stock to receive a dividend in respect of the Dividend Period ending on such payment date will be lost, and the Company will have no obligation to pay a dividend with respect to such period.

As long as the Preferred Stock is outstanding, the Company is not permitted to declare or pay any cash dividend on the Common Stock or any "Junior Stock" unless the Company has declared or paid dividends on the Preferred Stock for that period. The amount, timing and payment of future dividends on the

Preferred Stock will be subject to business conditions, the earnings and financial condition of the Company and the judgment of the Company's Board. Dividends on the Preferred Stock are also subject to certain federal and state regulatory restrictions.

ii) Conversion Rights

The holders of shares of Preferred Stock will have a right to convert each such share into one share of Common Stock, subject to adjustment, at any time for no additional consideration, including at any time after notice of redemption but in no case later than five (5) business days prior to the date set for redemption.

iii) Redemption

The holders of Preferred Stock will have no right to demand redemption. Preferred Stock will be redeemable solely at the option of the Company at any time after January 31, 2000, in whole or in part, out of funds legally available therefore, upon notice duly given as provided below, at the cash redemption price equal to the value of the net worth of the Company times the percentage of total ownership represented by the shares being redeemed plus declared but unpaid dividends.

On and after the date fixed for redemption, provided that the redemption price (including any declared and unpaid dividends to and including the date fixed for redemption) has been duly paid or provided for, such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as stockholders of the Company shall cease, except the right to receive the monies payable upon such redemption, without interest thereon, upon surrender of the certificates evidencing such shares.

iv) Ranking

The Preferred Stock will rank senior to Common Stock with respect to cash dividend rights and distributions upon liquidation. The amount which the holders of outstanding shares of Preferred Stock will be entitled to receive in the event of any liquidation, dissolution or winding up of the Company, out of the assets of the Company legally available for such distribution to stockholders under applicable law, or the proceeds thereof, before any distribution of the assets is made with regard to the holders of Common Stock and any other securities ranking junior to the Preferred Stock (together the "Junior Securities") (subject to the rights of holders of any class or series of stock having preference

with respect to distributions upon liquidation), will be the lesser amount of \$1000 per share or percentage of assets equal to percentage of ownership represented by the share; plus an amount per share equal to any dividends declared and unpaid. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of shares of Preferred Stock will not be entitled to any further participation in any distribution of assets by the Company. Upon any such liquidation, but only after each holder of Preferred Stock shall have been paid in full the stated dividends and amounts payable to which each such holder is entitled, the remaining assets of the Company may be distributed to the holders of Junior Securities.

A consolidation, merger or voluntary sale, lease, conveyance, exchange or transfer of all or substantially all of the assets of the Company will not be considered a liquidation, dissolution or winding up of the Company unless such voluntary sale, lease, conveyance, exchange or transfer is in connection with a plan of liquidation, dissolution or winding up of the Company.

d. Voting Rights

The Board shall be made up of six elected members. Three of these members shall be elected by majority vote of shareholders wherein each shareholder, regardless of shares owned, will have one vote. The remaining three members, to include the Chairman of the Board, shall be elected by majority vote of shareholders wherein each share, regardless of class, will count as one vote. In the event there is an unresolved tie vote by the Board after the issue has been put to a vote no less than three times, the Chairman has the authority to decide the issue in the best interest of the Company.

So long as any shares of the Preferred Stock are outstanding, the Company will not, without the consent of the holders of a super majority, Seventy percent (70%), of the outstanding shares of Common and Preferred Stock, (1) amend any provision of its Articles if such amendment would materially adversely affect or materially impair the rights of the Preferred Stock, or (ii) create, issue or increase any class or series of any equity securities of the Company, or any warrants, options or other rights convertible or exchangeable into any class or series of any equity securities of the Company, ranking either senior to, or on parity with, the Preferred Stock either as to cash dividends or upon liquidation or otherwise.

e. Preemptive Rights

All stockholders shall have preemptive rights to prevent dilution of percentage of ownership in the event additional securities are issued by the Company in accordance with its Articles of Incorporation ("Articles").

ARTICLE V - TERM OF EXISTENCE

This Corporation shall have perpetual existence.

ARTICLE VI - RESTRICTIONS ON TRANSFER OF STOCK

Unless waived by written agreement among this Corporation and its shareholders, shares held by persons receiving shares in the initial issue of stock in this Corporation may not be resold to other persons unless such shares are first offered to this Corporation, and, if not so purchased, then to the other shareholders at the price and terms identical to the proposed sale to a third person. The restrictions contained in this Article VI may be modified by a separate written agreement among the Corporation and the shareholders receiving shares in the initial issuance of stock of the Corporation.

ARTICLE VII - INITIAL REGISTERED OFFICE AND AGENT

The address of the initial registered office of this Corporation shall be 2831 Inverness Court, Pensacola, Florida 32503, and the name of the initial registered agent of this Corporation at that address is LARRY ALLEN FRANKLIN.

ARTICLE VIII - INITIAL BOARD OF DIRECTORS

This Corporation shall have one (1) director initially. The number of directors may be either increased or diminished from time to time by the bylaws of the Corporation, but shall never be less than one (1). The initial director of this Corporation was:

Larry Allen Franklin
2831 Inverness Court
Pensacola, Florida 32503

ARTICLE IX - INCORPORATOR

The Incorporator was:

Larry Allen Franklin
2831 Inverness Court
Pensacola, Florida 32503

ARTICLE X - COMMENCEMENT OF CORPORATE EXISTENCE

The date for commencement of this Corporation's existence shall be the date when the original Articles of Incorporation were filed with the Florida Secretary of State.

ARTICLE XI - AMENDMENT

This Corporation reserves the right to amend or repeal any provisions contained in these Amended and Restated Articles of Incorporation or any amendment hereto, and any right conferred upon the shareholders is subject to this reservation.

IN WITNESS WHEREOF, the undersigned President of MERIT, INC., has executed these Amended and Restated Articles of Incorporation on the 27th day of October, 1997.

MERIT, INC.


LARRY ALLEN FRANKLIN
as President

ATTEST: _____

ORIGINAL

Its _____

[CORPORATE SEAL]