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ACCOUNT NO. : 072100000032

REFERENCE : 245708 7146642

AUTHORIZATION :

*Patricia Pizzuto*

COST LIMIT : \$ 43.75

ORDER DATE : May 19, 1999

ORDER TIME : 1:31 PM

ORDER NO. : 245708-005

CUSTOMER NO: 7146642

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CUSTOMER: Mr. Peter A. Savarese  
Michael Harris, P.a.  
Suite 550  
1645 Palm Beach Lakes Blvd.  
West Palm Beach, FL 33401

DOMESTIC AMENDMENT FILING

RECEIVED

99 MAY 19 PM 2:29

DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS  
TALLAHASSEE, FLORIDA

NAME:

TRILOGY INTERNATIONAL, INC.

EFFECTIVE DATE:

☒ ARTICLES OF AMENDMENT  
☐ RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

☒ CERTIFIED COPY  
☐ PLAIN STAMPED COPY  
☐ CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Christine Lillich

EXAMINER'S INITIALS: \_\_\_\_\_

FILED  
99 MAY 19 PM 3:07  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

G. COULLETTE MAY 19 1999

**SECOND AMENDMENT  
TO THE ARTICLES OF INCORPORATION OF  
TRILOGY INTERNATIONAL, INC.**

FILED  
99 MAY 19 PM 3:07  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

Pursuant to the provisions of §607.0602, §607.1001, §607.1002, §607.1003, §607.1004 and §607.1007 of the Florida Business Corporation Act (the "Act"), Trilogy International, Inc. (the "Company") adopts this Second Amendment to the Articles of Incorporation set forth below:

1. The name of the Corporation is Trilogy International, Inc.
2. The principal address of the Corporation is 1050 S.W. Chapman Way, Palm City, Florida, 34990.
3. The following amendment to the Corporation's Articles of Incorporation were adopted by the unanimous consent of the shareholders and board of directors of the Corporation on the 14<sup>th</sup> day of April, 1999 in accordance with and in a manner prescribed by the Act:

Article V is hereby amended in its entirety to read as follows:

**ARTICLE V  
CAPITAL STOCK**

(a) **Common Stock.** This Corporation is authorized to issue 30,000,000 shares of common stock, \$0.001, par value.

(b) **Preferred Stock.** This Corporation is authorized to issue 2,500,000 shares of preferred stock, \$0.001, par value (the "Preferred Stock").

The Preferred Stock is subject to issuance by the board of directors (the "Board") in one or more classes by the filing a certificate pursuant to the applicable law of the State of Florida. Except as expressly limited by Chapter 607, Florida Statutes, as amended from time to time, or its successor legislation, as amended from time to time, the authority of the Board with respect to each class shall include, but not be limited to, determination of the following:

(i) Whether that class shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;

(ii) The number of shares constituting that class and the distinctive designation of that class;

(iii) The dividend rate on the shares of that class, whether dividends shall be cumulative, and if so, from which date or dates, and the relative rights of priority, if any, are paid on dividends on shares of that class;

(iv) Whether that class shall have conversion privileges, and if so, the terms

and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board shall determine;

(v) Whether or not the shares of that class shall be redeemable, and if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(vi) Whether that class shall have a sinking fund for the redemption or purchase of shares of that class, and if so, the terms and amount of such sinking fund;

(vii) The rights of the shares of that class in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that class; and

(viii) Any other relative rights, preferences and limitations of that class.

**(c) Class A Redeemable Preferred Stock.**

Section 1. Designation, Number of Shares and Stated Value of Class A Participating Preferred Stock. There is hereby authorized and established a class of Preferred Stock that shall be designated as Class A Participating Preferred Stock ("Class A Preferred"), and the number of shares constituting such series shall be 660,000. Such number of shares may be increased or decreased, but not to a number less than the number of shares of Class A Preferred then issued and outstanding, by resolution adopted by the Board. The Stated Value per share of the Class A Preferred shall be equal to \$.50.

Section 2. Definitions. In addition to the definitions set forth elsewhere herein, the following terms shall have the meanings indicated:

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in Miami, Florida are authorized or obligated by law or executive order to close.

"Common Stock" shall mean the common stock, par value \$0.001 per share, of the Corporation.

"Net Revenues" shall mean revenues from operations less discounts, allowances, returns, barter credits and sales, value added, use or similar taxes, all computed in accordance with generally accepted accounting principles.

"Original Issue Date" shall mean the date on which shares of the Class A Preferred are first issued.

"Parity Securities" means any class of stock issued by the Corporation ranking on a parity

with the Class A Preferred upon liquidation, dissolution or winding up of the Corporation.

"Person" means any individual, corporation, association, partnership, joint venture, limited liability company, trust, estate, or other entity or organization, other than the Corporation, any subsidiary of the Corporation, any employee benefit plan of the Corporation or any subsidiary of the Corporation, or any entity holding shares of Common Stock for or pursuant to the terms of any such plan.

"Record Date" shall mean each March 31, June 30, September 30 and December 31.

"Senior Securities" means any class or series of stock issued by the Corporation ranking senior to the Class A Preferred upon liquidation, dissolution or winding up of the Corporation.

Section 3. Dividends and Distributions.

(a) The Class A Preferred shall rank prior to the Common Stock with respect to dividends. The holders of each share of the Class A Preferred shall be entitled to receive, when, as and if declared by the Board out of funds legally available therefor, annual cash dividends in an amount equal to the following: (i) Net Revenues times 1.1%, (ii) which product shall be divided by 660,000 (the "Dividend Rate"). If less than 660,000 shares of Class A Preferred are outstanding, the "1.1%" number and the "660,000" number shall be adjusted proportionately. Once the holders of each 60,000 shares of Class A Preferred, which for purposes of this Section 3 shall include any transferees whether by operation of law or otherwise, have received an aggregate of \$60,000, the Dividend Rate per share shall be divided by one-half; provided, however, the Dividend Rate shall not be reduced by one-half if the Company reports pre-tax income from operations as follows:

Calendar Year	Pre-tax Profit Threshold
2001	\$22,000,000
2002	\$24,000,000
2003	\$27,000,000
2004	\$29,000,000
2005	Threshold to be established by Board of Directors by December 31, 2002.
2006	Threshold to be established by Board of Directors by December 31, 2003.

Such dividends on shares of Class A Preferred shall also be cumulative from the date such shares are issued until the first Record Date, as defined, occurring one year after the Corporation has commenced marketing its products. Such dividends on shares of Class A Preferred shall also be cumulative whenever in any period the Corporation shall lack the legal power to pay dividends. Except as provided above, dividends shall be payable quarterly, when, as and if declared by the Board of Directors, on January 20, April 20, July 20 and October 20 in each year (each a "Dividend Payment Date"). Subject to the foregoing, whenever dividends shall be cumulative, the amount of such dividends not paid shall be paid on the first Dividend Payment Date together with all dividends due for the prior quarter.

(b) Dividends shall be calculated on the basis of the time elapsed from and including the date of issuance of such shares to and including the Dividend Payment Date or on any final distribution date relating to redemption or to a dissolution, liquidation or winding up of the Corporation. Dividends payable on the shares of Class A Preferred for any period of less than a full calendar year shall be prorated for the partial year on the basis of a 360-day year.

(c) To the extent dividends are not paid on a Dividend Payment Date, all dividends which shall have accrued on each share of Class A Preferred outstanding as of such Dividend Payment Date shall, for purposes of calculating dividends thereon, be added to the Stated Value of such share of Class A Preferred and shall remain a part thereof until paid. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Class A Preferred which are in arrears.

(d) Dividends payable on each Dividend Payment Date shall be paid to record holders of the shares of Class A Preferred as they appear on the books of the Corporation as of the immediately preceding Record Date.

(e) So long as any shares of Class A Preferred are outstanding, no dividend or other distribution, whether in liquidation or otherwise, shall be declared or paid, or set apart for payment on or in respect of, any shares of Common Stock, nor shall any shares of Common Stock be redeemed, purchased or otherwise acquired for any consideration (or any money be paid to a sinking fund or otherwise set apart for the purchase or redemption of any such shares of Common Stock) unless (i) the full cumulative dividends, if any, accrued on all outstanding shares of the Class A Preferred shall have been paid or set apart for payment for all past dividend periods and (ii) sufficient funds shall have been set apart for the payment of the dividend for the then current dividend period with respect to the Class A Preferred.

Section 4. Certain Covenants and Restrictions. So long as any shares of Class A Preferred are outstanding, the Corporation shall pay all taxes and other governmental charges (other than any income or franchise taxes) that may be imposed with respect to the issuance of the Class A Preferred. The Corporation shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for shares of Class A Preferred in any name other than that of the registered holder of the shares of the Class A Preferred and in such case the Corporation shall not be required to issue or deliver any stock certificate until such tax or other charge has been paid, or it has been established to the Corporation's satisfaction that no tax or other charge is due.

Section 5. Redemption at the Option of the Corporation.

(a) During the period from January 1, 2007 through January 31, 2007, the Corporation shall have the option to redeem the Class A Preferred by paying the holder the sum of \$50,000, together with accrued dividends at the Dividend Rate, for each 60,000 shares of Class A Preferred held (or the pro-rata amount).

(b) In the event the Corporation has insufficient funds (whether by legal prohibition or otherwise) to redeem all the shares it has the option to redeem pursuant to this Section, then the Corporation shall use the maximum amount of funds available on a pro-rata basis for all holders of Class A Preferred by multiplying the total amount of funds available to redeem Class A Preferred by a fraction in which the numerator is the number of shares owned by a particular holder and the denominator is the total number of shares of Class A Preferred outstanding. Thereafter, at such time as the Company may legally redeem the Class A Preferred, the Company shall do so, again on a pro-rata basis until all Class A has been redeemed.

Section 6. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation (in connection with the bankruptcy or insolvency of the Corporation or otherwise), whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of shares of any Parity Securities, the holders of the shares of Class A Preferred shall be entitled to receive an amount equal to the Stated Value multiplied by the number of shares of Class A Preferred held by them, plus all cumulative dividends (whether or not declared) that are accrued and unpaid thereon. To the extent the available assets are insufficient to fully satisfy such amounts, then the holders of the Class A Preferred shall share ratably in such distribution in the proportion that the number of each holder's Class A Preferred Shares bears to the total number of shares of Class A Preferred outstanding. No further payment on account of any such liquidation, dissolution or winding up of the Corporation shall be paid to the holders of the shares of Class A Preferred or the holders of any Parity Securities unless there shall be paid at the same time to the holders of the shares of Class A Preferred and the holders of any Parity Securities proportionate amounts determined ratably in proportion to the full amounts to which the holders of all outstanding shares of Class A Preferred and the holders of all such outstanding Parity Securities are respectively entitled with respect to such distribution. For purposes of this Section, neither a consolidation or merger of the Corporation with one or more partnerships, corporations or other entities nor a sale, lease, exchange or transfer of all or any substantial part of the Corporation's assets for cash, securities or other property shall be deemed to be a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

(b) After the payment of all amounts owing to the holders of stock ranking prior to the Common Stock, the holders of Common Stock shall share ratably in the distribution of the remaining available assets of the Corporation in the proportion that each holder's shares bears to the total number of shares of Common Stock outstanding.

(c) Written notice of any liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when and the place or places where the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage prepaid, not less than 15 days prior to any payment date stated therein, to the holders of record of the shares of Class A Preferred at their respective addresses as the same shall appear in the records of the Corporation.

Section 7. Reacquired Shares. Any shares of Class A Preferred repurchased, redeemed, converted or otherwise acquired by the Corporation shall be retired and canceled

promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock, without designation as to series.

Section 8. Voting Rights.

(a) The Class A Preferred voting as a class shall have the right to elect one person to the Company's board of directors.

(b) Except as otherwise provided in this Section 8 or required by law or any provision of the Articles of Incorporation of the Corporation, the holders of the shares of Class A Preferred shall vote together with the shares of Common Stock as a single class at any annual or special meeting of shareholders of the Corporation, and each holder of shares of Class A Preferred shall be entitled to one vote for each share of Class A Preferred held by such holder on the record date fixed for such meeting. In the event the Corporation shall at any time after the Original Issue Date (i) subdivide the outstanding shares of Common Stock into a greater number of shares or (ii) combine the outstanding shares of Common Stock into a smaller number of shares, the number of votes to which each share of Class A Preferred is entitled shall be adjusted proportionately so that the adjusted number of votes shall bear the same relation to the number of votes in effect immediately prior to such event as the total number of shares of Common Stock outstanding immediately after such event shall bear to the total number of shares of Common Stock outstanding immediately prior to such event. Such adjustment shall become effective immediately after the effective date of a subdivision or combination.

(c) The Corporation shall not, without the affirmative vote or consent of all holders of shares of Class A Preferred voting together as a separate class: (i) amend, repeal or change any of the provisions of the Articles of Incorporation or Bylaws of the Corporation pertaining to the rights or preferences of the Class A Preferred except to correct scrivener's errors; (ii) authorize or take any action resulting in the merger, reorganization, change of control, or sale of substantially all of the assets of the Corporation unless in connection with any of the foregoing actions, the Dividend Rate of the Class A Preferred is in substantially unimpaired and as a result of such transaction the holders of the Class A Preferred will effectively receive at least the same amount of dividends as they received prior to such transaction; (iii) redeem, repurchase or otherwise reacquire any shares of a class or series of Parity Securities; or (iv) authorize or take any action resulting in a transaction between the Corporation and one of its affiliates (other than a wholly-owned subsidiary), unless on terms no less favorable than would have been available with either a less than wholly-owned subsidiary of the Corporation or an independent third party.

Section 9. Record Holders. The Corporation may deem and treat the record holder of any shares of Class A Preferred as the true and lawful owner thereof for all purposes, and the Corporation shall not be affected by any notice to the contrary.

Section 10. Notice. Except as may otherwise be provided by law or provided for herein, all notices referred to herein shall be in writing, and all notices hereunder shall be deemed to have been given upon receipt, in the case of a notice of conversion given to the Corporation, or, in all other cases, upon the earlier of receipt of such notice or three Business Days after the mailing of

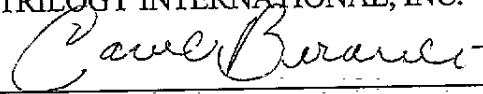
such notices sent by Registered Mail (unless first-class mail shall be specifically permitted for such notice under the terms hereof) with postage prepaid, addressed: If to the Corporation, to its principal executive offices or to any agent of the Corporation designated as permitted hereby; or if to a holder of the Class A Preferred, to such holder at the address of such holder of the Class A Preferred as listed in the stock record books of the Corporation, or to such other address as the Corporation or holder, as the case may be, shall have designated by notice similarly given.

Section 11. Successors and Transferees. The provisions applicable to shares of Class A Preferred shall bind and inure to the benefit of and be enforceable by the Corporation, the respective successors to the Corporation, and by any record holder of shares of Class A Preferred.

IN WITNESS WHEREOF, the undersigned President of this Corporation has executed the foregoing Amendment to the Corporation's Articles of Incorporation this 6<sup>th</sup> day of May, 1999.

TRILOGY INTERNATIONAL, INC.

By:



Carol Berardi, President