

ing Fee \$30.00

State of Rhode Island and Providence Plantations

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
JEWEL CASE CORPORATION

Pursuant to the provisions of Section 7-1.1-56 of the General Laws, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to Articles of Incorporation:

FIRST: The name of the corporation is JEWEL CASE CORPORATION

SECOND: The shareholders of the corporation on January 17, 1989, in the manner prescribed by Chapter 7-1.1 of the General Laws, 1956, as amended, adopted the following amendment(s) to the Articles of Incorporation:

[Insert Amendment(s)]

Article Fourth of the Articles of Incorporation of the Corporation is hereby amended and restated to read in its entirety ~~xxxxxx~~ as set forth on the attached Exhibit A.

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THIRD: The number of shares of the corporation outstanding at the time of such option was 9,601; and the number of shares entitled to vote thereon is 5,075

FOURTH: The designation and number of outstanding shares of each class entitled vote thereon as a class were as follows: (if inapplicable, insert "none")

<u>Class</u>	<u>Number of Shares</u>
Common Stock	2,500
Series C Preferred Stock	975
Series E Preferred Stock	700

FIFTH: The number of shares voted for such amendment was 5,075; the number of shares voted against such amendment was 0

SIXTH: The number of shares of each class entitled to vote thereon as a class voted and against such amendment, respectively, was: (if inapplicable, insert "none")

<u>Class</u>	<u>Number of Shares Voted</u>	
	<u>For</u>	<u>Against</u>
Common Stock	2,500	0
Series C Preferred Stock	975	0
Series E Preferred Stock	700	0

SEVENTH: The manner, if not set forth in such amendment, in which any exchange, classification, or cancellation of issued shares provided for in the amendment shall be effected, is as follows: (if no change, so state)

No change

EIGHTH: The manner in which such amendment effects a change in the amount of stated capital, and the amount of stated capital as changed by such amendment, are as follows: (if no change, so state)

No change

January 17, 1989.

Jewel Case Corporation
 By Therese J. Eisen
 Its Exec. President
 and Donald P. Wolfe

STATE OF RHODE ISLAND }
COUNTY OF *Providence* } Sc.

At *Providence* in said county on this *Seventeenth* day of *May*, 19*87*, personally appeared before me *Thomas J. O'Leary*, who, being by me first duly sworn, declared that he is the *Vice President / Secretary* of *First One Corporation*.

that he signed the foregoing document as *Vice President / Secretary* of the corporation, and that the statements therein contained are true.

Dorcas E. Paevid
Notary Public

My Commission Expires June 30, 1991

(NOTARIAL SEAL)

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
OFFICE OF THE SECRETARY OF STATE
CERTIFICATE OF AMENDMENT
TO ARTICLES OF INCORPORATION OF

I, _____ Secretary of State, hereby certify that duplicate originals of Articles of Amendment to the Articles of Incorporation of _____ duly signed and verified pursuant to the provisions of Chapter 7-1.1 of the General Laws, 1956, as amended, have been received in this office and are found to conform to law and that the foregoing is a duplicate original of the Articles of Amendment.

Witness my hand and the seal of the State
of Rhode Island this _____ day of

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Secretary of State

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RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV.

JAN 17 ~~FEB 10 1988~~

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Article Fourth

The aggregate number of shares which the Corporation shall have authority to issue is 14,206 shares divided as follows:

1. Common Voting Stock; 4,969 shares - No par value
2. 4% Preferred Stock; 500 shares - Non voting, par value \$1,000 per share

The four (4%) percent Preferred Stock shall carry an annual cumulative dividend and all arrearage of dividends on the Preferred Stock shall be paid in full before any dividend is paid on the Common Stock. The Preferred Stock may be redeemed at its par value of One Thousand (\$1,000.00) Dollars per share at any time by a vote of the Board of Directors in whole or in part.

3. 6% Cumulative Preferred Stock - 5,000 shares - Non voting, par value \$100.00 per share.

The 6% Cumulative Preferred Stock shall be issued and held upon the following terms, conditions, rights, privileges and obligations; to wit:

(a) At the option of the Corporation, each share issued shall be callable for redemption in accordance with the following schedule:

1. On or before the first anniversary date of its issue, at 104% of its par value;
2. On or before the second anniversary date of its issue, at 103% of its par value;
3. On or before the third anniversary date of its issue, at 102% of its par value;
4. On or before the fourth anniversary date of its issue, at 101% of its par value;
5. After the fourth anniversary date of its issue, at its par value.

(b) At the option of the holder, all shares issued on and as of a particular date in the name of a holder shall be redeemed by the Corporation for cash in accordance with the following schedule:

1. On the first anniversary date one-sixth (1/6th) of the whole number of shares in the record name of said holder shall be redeemed at their aggregate par value. Fractional shares above one-sixth (1/6th) of the holder's whole number of shares will be redeemed at par value, and no fractional shares will be issued.

2. If the holder has exercised the option set forth in Paragraph (b)(1) above, then at the further option of the said holder, on the second anniversary date an additional one-sixth (1/6th) of the original whole number of shares in the record name of said holder shall be redeemed at their aggregate par value. Fractional shares above one-sixth (1/6th) of the holder's whole number of shares will be redeemed at par value, and no fractional shares will be issued.

3. If the holder has exercised the options set forth in Paragraphs (b)(1) and (2) above, then at the further option of the said holder, on the third anniversary date an additional one-third (1/3rd) of the original whole number of shares in the record name of said holder shall be redeemed at their aggregate par value. Fractional shares above one-third (1/3rd) of the holder's whole number of shares will be redeemed at par value, and no fractional shares will be issued.

4. If the holder has exercised the options set forth in Paragraphs (b)(1)(2) and (3) above, then at the further option of the said holder, on the fourth anniversary date the final one-third (1/3rd) of the original whole number of shares in the record name of said holder shall be redeemed at their aggregate par value. Fractional shares above one-third (1/3rd) of the holder's whole number of shares will be redeemed at par value, and no fractional shares will be issued.

(c) At the option of the holder, (provided, as to all anniversary dates following the first anniversary date, the holder has exercised all previous options granted by this Paragraph (c)) the holder may waive the redemption privileges granted by Paragraph (b) above, and upon such waiver the shares issued to said holder shall be entitled to receive cumulative dividends in accordance with the following schedule:

1. As to the shares redeemable on the first anniversary date, as to which redemption is waived, said shares shall thereafter be entitled to cumulative dividends as follows:

- a. 8% for the next ensuing year;
- b. 10% for the second ensuing year;
- c. 12% for each year thereafter;

subject to the right of the Corporation to call said shares for redemption in accordance with the provisions of Paragraph (a) hereof.

2. As to the shares redeemable on the second anniversary date, as to which redemption is waived, said shares shall thereafter be entitled to cumulative dividends as follows:

- a. 8% for the next ensuing year;
- b. 10% for the second ensuing year;
- c. 12% for each year thereafter;

subject to the right of the Corporation to call said shares for redemption in accordance with the provisions of Paragraph (a) hereof.

3. As to the shares redeemable on the third anniversary date, as to which redemption is waived, said shares shall thereafter be entitled to cumulative dividends as follows:

- a. 8% for the next ensuing year;
- b. 10% for the second ensuing year;
- c. 12% for each year thereafter;

subject to the right of the Corporation to call said shares for redemption in accordance with the provisions of Paragraph (a) hereof.

4. As to the shares redeemable on the fourth anniversary date, as to which redemption is waived, said shares shall thereafter be entitled to cumulative dividends as follows:

- a. 8% for the next ensuing year;
- b. 10% for the second ensuing year;
- c. 12% for each year thereafter;

subject to the right of the Corporation to call said shares for redemption in accordance with the provisions of Paragraph (a) hereof.

(d) Failure on the part of the holder to exercise either of the options contained in Paragraphs (b) or (c) above shall result in all shares that would otherwise be affected by either of said options to remain eligible to, and entitled to receive cumulative dividends at the rate of 6%, subject to the right of the Corporation to call said shares for redemption in accordance with the provisions of Paragraph (a) hereof.

(e) Dividends due on this class of Preferred Stock shall be cumulative on a quarterly basis and shall be paid in full before any dividend is paid by the Corporation on the Common Stock, and shall be paid pari passu with the dividend due on the 4% Preferred Stock.

(f) At no time shall the shares of stock created by this Paragraph, initially called 6% Cumulative Preferred Stock, have voting rights.

4. SERIES C PREFERRED STOCK.

The Corporation shall be authorized to issue Nine Hundred and Seventy-Five (975) shares of Series C Preferred Stock, \$1,000 par value per share (the "Series C Preferred Stock"), with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations.

1. Dividends. The holders of the Series C Preferred Stock shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of four percent (4.0%) of the par value per annum, and no more, payable in preference and priority (i) after the payment of cash dividends payable to the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Series D Preferred Stock, the Series F Preferred Stock and, at the option of the Board of Directors, the Common Stock and (ii) prior to any payment of any cash dividend on any other shares of capital stock of this Corporation other than the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Series D Preferred Stock, the Series F Preferred Stock, the Common Stock or the Series C Preferred Stock, when and as declared by the Board of Directors of the Corporation; provided, however, that no dividends shall be payable to the holders of Series C Preferred Stock unless the Corporation has recorded net operating profits of at least \$3,000,000 during the year for which such dividends are to be paid. The right to such dividends shall not be cumulative, and no right shall accrue to the holders of Series C Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

2. Liquidation, Dissolution or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders (i) after the payment upon such liquidation, dissolution or winding up to the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Series D Preferred Stock, the Series F Preferred Stock and after the payment of an aggregate of \$1,666,750 to the holders of the Common Stock and (ii) prior to any other payment to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to the Series C Preferred Stock (such Common Stock and other stock being collectively referred to as "Junior Stock") by reason of their ownership thereof, an amount equal to \$1,000.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares). If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series C Preferred Stock and any class or series of stock ranking on liquidation on a parity with the Series C Preferred Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of Series C Preferred Stock and any other class or series of stock of the Corporation ranking on liquidation on a parity with or superior to the Series C Preferred Stock as set forth above, upon the dissolution, liquidation or winding up of the Corporation, the holders of shares of Junior Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its stockholders.

3. Voting. At no time shall the holders of Series C Preferred Stock be entitled to any voting rights.

4. Optional Redemption.

(a) At any time and from time to time the Corporation may, at the option of its Board of Directors, redeem the Series C Preferred Stock, in whole or in part, by paying \$1,000.00 per

share (subject to appropriate adjustment for stock splits, stock dividends, combinations or other similar recapitalizations affecting such shares) in cash for each share of Series C Preferred Stock then redeemed (hereinafter referred to as the "Redemption Price").

(b) In the event of any redemption of only a part of the then outstanding Series C Preferred Stock, the Corporation shall effect such redemption pro rata among the holders thereof based on the number of shares of Series C Preferred Stock held by such holders on the date of the Redemption Notice (as defined below).

(c) At least 30 days prior to the date fixed for any redemption of Series C Preferred Stock (hereinafter referred to as the "Redemption Date"), written notice shall be mailed, by first class or registered mail, postage prepaid, to each holder of record of Series C Preferred Stock to be redeemed, at his or its address last shown on the records of the transfer agent of the Series C Preferred Stock (or the records of the Corporation, if it serves as its own transfer agent), notifying such holder of the election of the Corporation to redeem such shares, specifying the Redemption Date and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, his or its certificate or certificates representing the shares to be redeemed (such notice is hereinafter referred to as the "Redemption Notice"). On or prior to the Redemption Date, each holder of Series C Preferred Stock to be redeemed shall surrender his or its certificate or certificates representing such shares to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of the Series C Preferred Stock designated for redemption in the Redemption Notice as holders of Series C Preferred Stock of the Corporation (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(d) Subject to the provisions hereof, the Board of Directors of the Corporation shall have authority to prescribe the manner in which Series C Preferred Stock shall be redeemed from

time to time. Nothing herein contained shall prevent or restrict the purchase by the Corporation, from time to time either at public or private sale, of the whole or any part of the Series C Preferred Stock at such price or prices as the Corporation may determine, subject to the provisions of applicable law.

5. SERIES D PREFERRED STOCK.

The Corporation shall be authorized to issue Nine Hundred (900) shares of Series D Preferred Stock, \$100 par value per share (the "Series D Preferred Stock"), with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations.

1. Dividends. The holders of the Series D Preferred Stock shall be entitled to receive, out of any funds legally available therefor, on a pari passu basis with the holders of the Series F Preferred Stock, dividends at the rate of ten percent (10.0%) of the par value per annum, and no more, payable in preference and priority (i) after the payment of cash dividends payable to the 4% Preferred Stock and the 6% Cumulative Preferred Stock and, at the option of the Board of Directors, the Common Stock and (ii) prior to any payment of any cash dividend on any other shares of capital stock of this Corporation other than the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Common Stock and the Series F Preferred Stock, when and as declared by the Board of Directors of the Corporation. The right to such dividends shall not be cumulative, and no right shall accrue to the holders of Series D Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

2. Liquidation, Dissolution or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series D Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders (i) after the payment upon such liquidation, dissolution or winding up to the 4% Preferred Stock and the 6% Cumulative Preferred Stock and after the payment of an aggregate of \$1,666,750 to the holders of the Common Stock, (ii) on a pari passu basis with the holders of the Series F Preferred Stock, and (iii) prior to any other payment to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to the Series D Preferred Stock (such Common Stock and other stock being collectively referred to as "Junior Stock") by reason of their ownership thereof, an amount equal to \$100.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other

similar recapitalization affecting such shares). If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series D Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series D Preferred Stock and any class or series of stock ranking on liquidation on a parity with the Series D Preferred Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of Series D Preferred Stock and any other class or series of stock of the Corporation ranking on liquidation on a parity with or superior to the Series D Preferred Stock as set forth above, upon the dissolution, liquidation or winding up of the Corporation, the holders of shares of Junior Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its stockholders.

3. Voting The holders of Series D Preferred Stock shall be entitled to vote on all matters on which holders of Common Stock are entitled to vote, and each share of Series D Preferred Stock shall be entitled to such number of votes as is equal to the number of shares of Common Stock into which such share is convertible after February 24, 1991. Except as otherwise provided by law, the Series D Preferred Stock and the Common Stock shall vote together as a single class.

4. Redemption.

(a) On February 24, 1991, the Corporation shall become obligated to redeem all of the outstanding shares of Series D Preferred Stock by paying the "Redemption Price" (as defined below) in cash for each outstanding share of Series D Preferred Stock; provided that if the net worth of the Corporation on February 24, 1991, after giving effect to such redemption, is less than \$250,000, the obligation of the Corporation to redeem all of the outstanding shares of Series D Preferred Stock shall be suspended until such date as the net worth of the Corporation, after giving effect to such redemption, is \$250,000 or more.

(b) Notwithstanding the foregoing paragraph, on the date on which either (i) the Corporation exercises its right of redemption under Section 5 of an Agreement dated July 27, 1987 among the Corporation and certain investors, or (ii) Alexander

Daunis exercises his purchase option under such Agreement, whichever occurs earlier, the Corporation shall become obligated to redeem all of the outstanding shares of Series D Preferred Stock by paying the Redemption Price in cash for each outstanding share of Series D Preferred Stock.

(c) At any time and from time to time, the Corporation may, at the option of the Board of Directors, redeem some or all of the outstanding shares of Series D Preferred Stock by paying the Redemption Price in cash for each share of Series D Preferred Stock being redeemed; provided that if the Corporation elects to redeem only a portion of the outstanding shares of Series D Preferred Stock, such redemption shall be done pro rata among the holders thereof based on the number of shares of Series D Preferred Stock held by each holder.

(d) The Redemption Price per share of Series D Preferred Stock shall be determined as follows:

(i) if the redemption occurs before February 24, 1991, the Redemption Price per share shall be computed by (i) multiplying \$14,015 by the number of months which have elapsed since February 24, 1988, and (ii) dividing such product by 500;

(ii) if the redemption occurs on February 24, 1991, the Redemption Price per share shall be computed by dividing \$504,545 by 500; and

(iii) if the redemption occurs after February 24, 1991, the Redemption Price per share shall be computed by dividing (i) the amount of \$504,545, as increased, over the period from February 24, 1991 to the redemption date, at an annual compound rate of return equal to the rate of interest announced from time to time by Fleet National Bank at its "prime" lending rate, plus 1%, by (ii) 500.

(e) On the date on which the Corporation becomes obligated to redeem the outstanding shares of Series D Preferred Stock, or on such other date as it elects to redeem some or all of the Series D Preferred Stock, it shall mail written notice, by first class or registered mail, postage prepaid, to each holder of record of Series D Preferred Stock to be redeemed, at his or its address last shown on the records of the Corporation, notifying such holder of the redemption, specifying the date for redemption, which date may not be less than 30 days nor more than 45 days from the date of the mailing of such notice (the "Redemption Date"), and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, his or its certificate or certificates representing the shares to be redeemed (such notice is hereinafter referred to as the "Redemption Notice"). On or

prior to the Redemption Date, each holder of Series D Preferred Stock to be redeemed shall surrender his or its certificate or certificates representing such shares to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of the Series D Preferred Stock designated for redemption in the Redemption Notice as holders of Series D Preferred Stock of the Corporation (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(f) Subject to the provisions hereof, the Board of Directors of the Corporation shall have authority to prescribe the manner in which Series D Preferred Stock shall be redeemed from time to time. Nothing herein contained shall prevent or restrict the purchase by the Corporation, from time to time either at public or private sale, of the whole or any part of the Series D Preferred Stock at such price or prices as the Corporation may determine, subject to the provisions of applicable law.

5. Conversion.

(a) At any time on or after February 25, 1991 and prior to the redemption of such stock, each holder of Series D Preferred Stock shall have the right to convert all (but not less than all) of his/her Series D Preferred Stock into such number of fully paid and non-assessable shares of Common Stock as is determined by multiplying the number of shares of Series D Preferred Stock being converted by 1.452 (the "Conversion Ratio").

(b) In order for a holder of Series D Preferred Stock to convert shares of Series D Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Series D Preferred Stock, at the principal office of the Corporation, together with written notice that such holder elects to convert the shares of the Series D Preferred Stock represented by such certificate or certificates. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his or its

attorney duly authorized in writing. The date of receipt of such certificates and notice by the Corporation shall be the conversion date ("Conversion Date"). The Corporation shall, as soon as practicable after the Conversion Date, issue and deliver at such office to such holder of Series D Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled.

(c) The Corporation shall at all times when the Series D Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series D Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series D Preferred Stock.

(d) All shares of Series D Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate on the Conversion Date, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor. Any shares of Series D Preferred Stock so converted shall be retired and canceled and shall not be reissued, and the Corporation may from time to time take such appropriate action as may be necessary to reduce the authorized Series D Preferred Stock accordingly.

(e) The Conversion Ratio shall be appropriately adjusted in the event of stock splits, stock dividends, combinations or other similar recapitalizations affecting the Common Stock or the Series D Preferred Stock.

6. SERIES E PREFERRED STOCK.

The Corporation shall be authorized to issue Seven Hundred (700) shares of Series E Preferred Stock, \$1,000 par value per share (the "Series E Preferred Stock"), with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations.

1. Dividends. The holders of the Series E Preferred Stock shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of four percent (4.0%) of the par value per annum, and no more, payable in preference and priority (i) after the payment of cash dividends payable to the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series F Preferred Stock and, at the option of the Board of Directors, the Common Stock and (ii) prior to any payment of any cash dividend on

any other shares of capital stock of this Corporation other than the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series F Preferred Stock and the Common Stock, when and as declared by the Board of Directors of the Corporation; provided, however, that no dividends shall be payable to the holders of Series E Preferred Stock unless the Corporation has recorded net operating profits of at least \$3,000,000 during the year for which such dividends are to be paid. The right to such dividends shall not be cumulative, and no right shall accrue to the holders of Series E Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

2. Liquidation, Dissolution or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series E Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders (i) after the payment upon such liquidation, dissolution or winding up to the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock, the Series F Preferred Stock and after the payment of an aggregate of \$1,666,750 to the holders of the Common Stock and (ii) prior to any other payment to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to the Series E Preferred Stock (such Common Stock and other stock being collectively referred to as "Junior Stock") by reason of their ownership thereof, an amount equal to \$1,000.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares). If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series E Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series E Preferred Stock and any class or series of stock ranking on liquidation on a parity with the Series E Preferred Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of Series E Preferred Stock and any other class or series of stock of the Corporation ranking on liquidation on a parity with or superior to the Series E Preferred Stock as set forth above, upon the dissolution, liquidation or

winding up of the Corporation, the holders of shares of Junior Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its stockholders.

3. Voting At no time shall the holders of Series E Preferred Stock be entitled to any voting rights.

4. Optional Redemption.

(a) At any time and from time to time the Corporation may, at the option of its Board of Directors, redeem the Series E Preferred Stock, in whole or in part, by paying \$1,000.00 per share (subject to appropriate adjustment for stock splits, stock dividends, combinations or other similar recapitalizations affecting such shares) in cash for each share of Series E Preferred Stock then redeemed (hereinafter referred to as the "Redemption Price").

(b) In the event of any redemption of only a part of the then outstanding Series E Preferred Stock, the Corporation shall effect such redemption pro rata among the holders thereof based on the number of shares of Series E Preferred Stock held by such holders on the date of the Redemption Notice (as defined below).

(c) At least 30 days prior to the date fixed for any redemption of Series E Preferred Stock (hereinafter referred to as the "Redemption Date"), written notice shall be mailed, by first class or registered mail, postage prepaid, to each holder of record of Series E Preferred Stock to be redeemed, at his or its address last shown on the records of the transfer agent of the Series E Preferred Stock (or the records of the Corporation, if it serves as its own transfer agent), notifying such holder of the election of the Corporation to redeem such shares, specifying the Redemption Date and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, his or its certificate or certificates representing the shares to be redeemed (such notice is hereinafter referred to as the "Redemption Notice"). On or prior to the Redemption Date, each holder of Series E Preferred Stock to be redeemed shall surrender his or its certificate or certificates representing such shares to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the Redemption Date, unless

there shall have been a default in payment of the Redemption Price, all rights of the holders of the Series E Preferred Stock designated for redemption in the Redemption Notice as holders of Series E Preferred Stock of the Corporation (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(d) Subject to the provisions hereof, the Board of Directors of the Corporation shall have authority to prescribe the manner in which Series E Preferred Stock shall be redeemed from time to time. Nothing herein contained shall prevent or restrict the purchase by the Corporation, from time to time either at public or private sale, of the whole or any part of the Series E Preferred Stock at such price or prices as the Corporation may determine, subject to the provisions of applicable law.

7. SERIES F PREFERRED STOCK.

The Corporation shall be authorized to issue Eight Hundred (800) shares of Series F Preferred Stock, \$100 par value per share (the "Series F Preferred Stock"), with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations.

1. Dividends. The holders of the Series F Preferred Stock shall be entitled to receive, out of any funds legally available therefor, on a pari passu basis with the holders of the Series D Preferred Stock, dividends at the rate of ten percent (10.0%) of the par value per annum, and no more, payable in preference and priority (i) after the payment of cash dividends payable to the 4% Preferred Stock and the 6% Cumulative Preferred Stock, and, at the option of the Board of Directors, the Common Stock and (ii) prior to any payment of any cash dividend on any other shares of capital stock of this Corporation other than the 4% Preferred Stock, the 6% Cumulative Preferred Stock, the Common Stock, and the Series D Preferred Stock, when and as declared by the Board of Directors of the Corporation. The right to such dividends shall not be cumulative, and no right shall accrue to the holders of Series F Preferred Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

2. Liquidation, Dissolution or Winding Up.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series F Preferred Stock then outstanding

shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders (i) after the payment upon such liquidation, dissolution or winding up to the 4% Preferred Stock and the 6% Cumulative Preferred Stock and after the payment of an aggregate of \$1,666,750 to the holders of the Common Stock, (ii) on a pari passu basis with the holders of the Series D Preferred Stock, and (iii) prior to any other payment to the holders of Common Stock or any other class or series of stock ranking on liquidation junior to the Series F Preferred Stock (such Common Stock and other stock being collectively referred to as "Junior Stock") by reason of their ownership thereof, an amount equal to \$100.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such shares). If upon any such liquidation, dissolution or winding up of the Corporation the remaining assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series F Preferred Stock the full amount to which they shall be entitled, the holders of shares of Series F Preferred Stock and any class or series of stock ranking on liquidation on a parity with the Series F Preferred Stock shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) After the payment of all preferential amounts required to be paid to the holders of Series F Preferred Stock and any other class or series of stock of the Corporation ranking on liquidation on a parity with or superior to the Series F Preferred Stock as set forth above, upon the dissolution, liquidation or winding up of the Corporation, the holders of shares of Junior Stock then outstanding shall be entitled to receive the remaining assets and funds of the Corporation available for distribution to its stockholders.

3. Voting The holders of Series F Preferred Stock shall be entitled to vote on all matters on which holders of Common Stock are entitled to vote, and each share of Series F Preferred Stock shall be entitled to such number of votes as is equal to the number of shares of Common Stock into which such share is convertible after January 31, 1992. Except as otherwise provided by law, the Series F Preferred Stock and the Common Stock shall vote together as a single class.

4. Redemption.

(a) On January 31, 1992, the Corporation shall become obligated to redeem all of the outstanding shares of Series F

Preferred Stock by paying the "Redemption Price" (as defined below) in cash for each outstanding share of Series F Preferred Stock; provided that if the net worth of the Corporation on January 31, 1992, after giving effect to such redemption, is less than \$250,000, the obligation of the Corporation to redeem all of the outstanding shares of Series F Preferred Stock shall be suspended until such date as the net worth of the Corporation, after giving effect to such redemption, is \$250,000 or more.

(b) Notwithstanding the foregoing paragraph, on the date on which either (i) the Corporation exercises its right of redemption under Section 5 of an Agreement dated July 27, 1987 among the Corporation and certain investors, or (ii) Alexander Daunis exercises his purchase option under such Agreement, whichever occurs earlier, the Corporation shall become obligated to redeem all of the outstanding shares of Series F Preferred Stock by paying the Redemption Price in cash for each outstanding share of Series F Preferred Stock.

(c) At any time and from time to time, the Corporation may, at the option of the Board of Directors, redeem some or all of the outstanding shares of Series F Preferred Stock by paying the Redemption Price in cash for each share of Series F Preferred Stock being redeemed; provided that if the Corporation elects to redeem only a portion of the outstanding shares of Series F Preferred Stock, such redemption shall be done pro rata among the holders thereof based on the number of shares of Series F Preferred Stock held by each holder.

(d) The Redemption Price per share of Series F Preferred Stock shall be determined as follows:

(i) if the redemption occurs before January 31, 1992, the Redemption Price per share shall be computed by multiplying \$28.03 by the number of months which have elapsed since January 31, 1989;

(ii) if the redemption occurs on January 31, 1992, the Redemption Price per share shall be \$1,009.09; and

(iii) if the redemption occurs after January 31, 1992, the Redemption Price per share shall be \$1,009.09, as increased, over the period from January 31, 1992 to the redemption date, at an annual compound rate of return equal to the rate of interest announced from time to time by Fleet National Bank at its "prime" lending rate, plus 1%.

(e) On the date on which the Corporation becomes obligated to redeem the outstanding shares of Series F Preferred Stock, or on such other date as it elects to redeem some or all of

the Series F Preferred Stock, it shall mail written notice, by first class or registered mail, postage prepaid, to each holder of record of Series F Preferred Stock to be redeemed, at his or its address last shown on the records of the Corporation, notifying such holder of the redemption, specifying the date for redemption, which date may not be less than 30 days nor more than 45 days from the date of the mailing of such notice (the "Redemption Date"), and calling upon such holder to surrender to the Corporation, in the manner and at the place designated, his or its certificate or certificates representing the shares to be redeemed (such notice is hereinafter referred to as the "Redemption Notice"). On or prior to the Redemption Date, each holder of Series F Preferred Stock to be redeemed shall surrender his or its certificate or certificates representing such shares to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of the Series F Preferred Stock designated for redemption in the Redemption Notice as holders of Series F Preferred Stock of the Corporation (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to such shares, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever.

(f) Subject to the provisions hereof, the Board of Directors of the Corporation shall have authority to prescribe the manner in which Series F Preferred Stock shall be redeemed from time to time. Nothing herein contained shall prevent or restrict the purchase by the Corporation, from time to time either at public or private sale, of the whole or any part of the Series F Preferred Stock at such price or prices as the Corporation may determine, subject to the provisions of applicable law.

5. Conversion.

(a) At any time on or after February 1, 1992 and prior to the redemption of such stock, each holder of Series F Preferred Stock shall have the right to convert all (but not less than all) of his/her Series F Preferred Stock into such number of fully paid and non-assessable shares of Common Stock as is determined by multiplying the number of shares of Series F Preferred Stock being converted by 1.452 (the "Conversion Ratio").

(b) In order for a holder of Series F Preferred Stock to convert shares of Series F Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Series F Preferred Stock, at the principal office of the Corporation, together with written notice that such holder elects to convert the shares of the Series F Preferred Stock represented by such certificate or certificates. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his or its attorney duly authorized in writing. The date of receipt of such certificates and notice by the Corporation shall be the conversion date ("Conversion Date"). The Corporation shall, as soon as practicable after the Conversion Date, issue and deliver at such office to such holder of Series F Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled.

(c) The Corporation shall at all times when the Series F Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series F Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series F Preferred Stock.

(d) All shares of Series F Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate on the Conversion Date, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor. Any shares of Series F Preferred Stock so converted shall be retired and canceled and shall not be reissued, and the Corporation may from time to time take such appropriate action as may be necessary to reduce the authorized Series F Preferred Stock accordingly.

(e) The Conversion Ratio shall be appropriately adjusted in the event of stock splits, stock dividends, combinations or other similar recapitalizations affecting the Common Stock or the Series F Preferred Stock.