

CENTURYTEL INC

FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 6/7/1995

Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
Telephone	318-388-9000
CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Century Telephone Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other
jurisdiction of incorporation
or organization)

72-0651161
(I.R.S. Employer
Identification No.)

100 Century Park Drive
Monroe, Louisiana 71203
(318) 388-9500

(Address, including zip code, and telephone number
including area code, of registrant's principal executive offices)

CENTURY TELEPHONE ENTERPRISES, INC. 1995 INCENTIVE COMPENSATION PLAN (Full title of the Plan)

Harvey P. Perry, Esq.
Senior Vice President, General Counsel
and Secretary
Century Telephone Enterprises, Inc.
100 Century Park Drive
Monroe, Louisiana 71203
(318) 388-9500
(Name, address, including zip code,
and telephone number, including
area code, of agent for service)

COPY TO
Margaret F. Murphy
Jones, Walker, Waechter, Poitevent,
Carrere & Denegre, L.L.P.
51st Floor
201 St. Charles Avenue
New Orleans, Louisiana 70170

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered<FN1>	Proposed Maximum Offering Price Per Unit<FN2>	Proposed Maximum Aggregate Offering Price<FN2>	Amount of Registration Fee
Common Stock	2,000,000 shares	\$28.50 <FN3>	\$57,000,000	\$19,655.17
Preferred Stock Purchase Rights <FN4>	2,000,000 rights	<FN4>	<FN4>	\$100<FN4>

<FN1> Upon a stock split, stock dividend or similar transaction in the future and during the effectiveness of this Registration Statement involving Common Stock of the Company, the number of shares registered shall be automatically increased to cover the additional shares in accordance with Rule 416(a) under the Securities Act of 1933.

<FN2> Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and (h).

<FN3> The average of the high and low price per share of Common Stock on the New York Stock Exchange on June 6, 1995, in accordance with Rule 457(c).

<FN4> Rights are attached to and trade with the Common Stock of the Company. Value attributable to such Rights, if any, is reflected in the market price of the Common Stock. The fee paid represents the minimum statutory fee pursuant to Section 6(b) of the Securities Act of 1933.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 3. Incorporation of Documents by Reference.

The following documents, which have been filed by Century with the Securities and Exchange Commission (the "Commission"), are incorporated herein by reference:

- (a) Century's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.
- (b) Century's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995.
- (c) The description of the Common Stock set forth in Item 5 of Century's Current Report on Form 8-K dated June 12, 1991.

All reports filed by Century with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold shall, except to the extent otherwise provided by Regulation S-K or any other rule promulgated by the Commission, be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

Section 83 of the Louisiana Business Corporation Law provides in part that a corporation may indemnify any director, officer, employee or agent of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any action, suit or proceeding to which he is or was a party or is threatened to be made a party (including any action by or in the right of the corporation) if such action arises out of his acts on behalf of the corporation and he acted in good faith not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The indemnification provisions of the Louisiana Business Corporation Law are not exclusive; however, no corporation may indemnify any person for willful or intentional misconduct. A corporation has the power to obtain and maintain insurance or to create a form of self-insurance on behalf of any person who is or was acting for the corporation, regardless of whether the corporation has the legal authority to indemnify the insured person against such liability.

Article II, Section 9 of Century's by-laws (the "Indemnification Bylaw") provides for mandatory indemnification for current and former directors and officers of Century to the full extent permitted by Louisiana law.

Century's Articles of Incorporation authorize it to enter into contracts with directors and officers providing for indemnification to the fullest extent permitted by law. Century has entered into indemnification contracts providing contracting directors or officers the procedural and substantive rights to indemnification currently set forth in the Indemnification Bylaw ("Indemnification Contracts"). The right to indemnification provided by each Indemnification Contract applies to all covered claims, whether such claims arose before or after the effective date of the contract.

Century maintains an insurance policy covering the liability of its directors and officers for actions taken in their corporate capacities. The Indemnification Contracts provide that, to the extent insurance is reasonably available, Century will maintain comparable insurance coverage for each contracting party as long as he or she serves as an officer or director and thereafter for so long as he or she is subject to possible personal liability for actions taken in such capacities. The Indemnification Contracts also provide that if Century does not maintain comparable insurance, it will hold harmless and indemnify a contracting party to the full extent of the coverage that would otherwise have been provided for thereunder.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of Century pursuant to the foregoing provisions, or otherwise, Century has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Item 7. Exemption From Registration Claimed.

Not applicable.

Item 8. Exhibits.

4.1 Amended and Restated Articles of Incorporation of Century.

4.2 By-laws of Century as amended through May 23, 1995.

4.3 Amended and Restated Rights Agreement dated as of November 17, 1986 between Century and the Rights Agent named therein (incorporated by reference to Exhibit 4.1 to Century's Current Report on Form 8-K dated December 20, 1988), Amendments thereto dated March 26, 1990 (incorporated by reference to Exhibit 4.1 to Century's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990) and the Second Amendment thereto dated February 3, 1993 (incorporated by reference to Exhibit 4.12 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).

4.4 1995 Incentive Compensation Plan.

5 Opinion of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P.

23.1 Consent of KPMG Peat Marwick LLP.**23.2 Consent of Counsel (included in Exhibit 5).**

24 Power of Attorney (included on the signature page of this Registration Statement).

Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceedings) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

EXHIBIT INDEX

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4.4	1995 Incentive Compensation Plan.
5	Opinion of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P.
23.1	Consent of KPMG Peat Marwick LLP.
23.2	Consent of Counsel (included in Exhibit 5).
24	Power of Attorney (included on the signature page of this Registration Statement).

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monroe, State of Louisiana, on May 22, 1995.

CENTURY TELEPHONE ENTERPRISES, INC.

By: /s/ Clarke M. Williams
Clarke M. Williams
Chairman of the Board

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears immediately below constitutes and appoints Clarke M. Williams, Glen F. Post, III and Harvey P. Perry, or any one of them, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature Title Date

/s/ Clarke M. Williams _____ Clarke M. Williams	Chairman of the Board of Directors	May 22, 1995
/s/ Glen F. Post, III _____ Glen F. Post, III	Vice Chairman of the Board of Directors, President and Chief Executive Officer	May 22, 1995
/s/ R. Stewart Ewing, Jr. _____ R. Stewart Ewing, Jr.	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	May 22, 1995
/s/ Murray H. Greer _____ Murray H. Greer	Controller (Principal Accounting Officer)	May 22, 1995
/s/ William R. Boles, Jr. _____ William R. Boles, Jr.	Director	May 22, 1995
/s/ Virginia Boulet _____ Virginia Boulet	Director	May 22, 1995
/s/ Ernest Butler, Jr. _____ Ernest Butler, Jr.	Director	May 22, 1995
_____ Calvin Czeschin	Director	_____, 1995
/s/ James B. Gardner _____ James B. Gardner	Director	May 22, 1995
/s/ W. Bruce Hanks _____ W. Bruce Hanks	Director	May 22, 1995
/s/ R. L. Hargrove, Jr. _____ R. L. Hargrove, Jr.	Director	May 22, 1995

<i>/s/ Johnny Hebert</i> <hr/> <i>Johnny Hebert</i>	<i>Director</i>	<i>May 22, 1995</i>
<i>/s/ R. Earl Hogan</i> <hr/> <i>F. Earl Hogan</i>	<i>Director</i>	<i>May 22, 1995</i>
<i>/s/ C. G. Melville, Jr.</i> <hr/> <i>C. G. Melville, Jr.</i>	<i>Director</i>	<i>May 22, 1995</i>
<i>/s/ Harvey P. Perry</i> <hr/> <i>Harvey P. Perry</i>	<i>Director</i>	<i>May 22, 1995</i>
<i>/s/ Jim D. Reppond</i> <hr/> <i>Jim D. Reppond</i>	<i>Director</i>	<i>May 22, 1995</i>

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
CENTURY TELEPHONE ENTERPRISES, INC.**

ARTICLE I

Name

The name of this Corporation is Century Telephone Enterprises, Inc.

ARTICLE II

Purpose

The purpose of the Corporation is to engage in any lawful activity for which corporations may be formed under the Business Corporation Law of Louisiana.

ARTICLE III

Capital

A. Authorized Stock. The Corporation shall be authorized to issue an aggregate of 177 million shares of capital stock, of which 175 million shares shall be Common Stock, \$1.00 par value per share, and two million shares shall be Preferred Stock, \$25.00 par value per share.

B. Preferred Stock. (1) The Preferred Stock may be issued from time to time in one or more series.

(2) In respect to any series of Preferred Stock, the Board of Directors is hereby authorized to fix or alter the dividend rights, dividend rates, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences of any wholly unissued series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series. In addition thereto the Board of Directors shall have such other powers with respect to the Preferred Stock and any series thereof as shall be permitted by applicable law.

(3) No full dividend for any quarterly dividend period may be declared or paid on shares of any series of Preferred Stock unless the full dividend for that period shall be concurrently declared or paid on all series of Preferred Stock outstanding in accordance with the terms of each series. If there are any accumulated dividends accrued or in arrears on any share of any series of Preferred Stock those dividends shall be paid in full before any full dividend shall be paid on any other series of Preferred Stock. If less than a full dividend is to be paid, the amount of the dividend to be distributed shall be divided among the shares of Preferred Stock for which dividends are accrued or in arrears in proportion to the aggregate amounts which would be distributable to those holders of Preferred Stock if full cumulative dividends had previously been paid thereon in accordance with the terms of each series.

C. Voting Rights. (1) Each share of Common Stock and each outstanding share of the Series A and H Preferred Stock ("Voting Preferred Stock") which has been beneficially owned continuously by the same person since May 30, 1987 will entitle such person to ten votes with respect to such share on each matter properly submitted to the shareholders of the Corporation for their vote, consent, waiver, release or other action when the Common Stock and the Voting Preferred Stock vote together with respect to such matter.

(2) (a) For purposes of this paragraph C, a change in beneficial ownership of a share of the Corporation's stock shall be deemed to have occurred whenever a change occurs in any person or group of persons who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares (i) voting power, which includes the power to vote, or to direct the voting of such share; (ii) investment power, which includes the power to direct the sale or other disposition of such share; (iii) the right to receive or retain the proceeds of any sale or other disposition of such share; or (iv) the right to receive distributions, including cash dividends, in respect to such share.

(b) In the absence of proof to the contrary provided in accordance with the procedures referred to in subparagraph (4) of this paragraph C, a change in beneficial ownership shall be deemed to have occurred whenever a share of stock is transferred of record into the name of any other person.

(c) In the case of a share of Common Stock or Voting Preferred Stock held of record in the name of a corporation, general partnership, limited partnership, voting trustee, bank, trust company, broker, nominee or clearing agency, or in any other name except a natural person, if it has not been established pursuant to the procedures referred to in subparagraph (4) that such share was beneficially owned continuously since May 30,

1987 by the person who possesses all of the attributes of beneficial ownership referred to in clauses

(i) through (iv) of subparagraph (2)(a) of this paragraph C with respect to such share of Common Stock or Voting Preferred Stock, then such share of Common Stock or Voting Preferred Stock shall carry with it only one vote regardless of when record ownership of such share was acquired.

(d) In the case of a share of stock held of record in the name of any person as trustee, agent, guardian or custodian under the Uniform Gifts to Minors Act, the Uniform Transfers to Minors Act or any comparable statute as in effect in any state, a change in beneficial ownership shall be deemed to have occurred whenever there is a change in the beneficiary of such trust, the principal of such agent, the ward of such guardian or the minor for whom such custodian is acting.

(3) Notwithstanding anything in this paragraph C to the contrary, no change in beneficial ownership shall be deemed to have occurred solely as a result of:

(a) any event that occurred prior to May 30, 1987, including contracts providing for options, rights of first refusal and similar arrangements, in existence on such date to which any holder of shares of stock is a party;

(b) any transfer of any interest in shares of stock pursuant to a bequest or inheritance, by operation of law upon the death of any individual, or by any other transfer without valuable consideration, including a gift that is made in good faith and not for the purpose of circumventing this paragraph C;

(c) any change in the beneficiary of any trust, or any distribution of a share of stock from trust, by reason of the birth, death, marriage or divorce of any natural person, the adoption of any natural person prior to age 18 or the passage of a given period of time or the attainment by any natural person of a specified age, or the creation or termination of any guardianship or custodian arrangement; or

(d) any appointment of a successor trustee, agent, guardian or custodian with respect to a share of stock.

(4) For purposes of this paragraph C, all determinations concerning changes in beneficial ownership, or the absence of any such change, shall be made by the Corporation. Written procedures designed to facilitate such determinations shall be established by the Corporation and refined from time to time. Such procedures shall provide, among other things, the manner of proof of facts that will be accepted and the frequency with which such proof may be required to be renewed. The Corporation and any transfer agent shall be entitled to rely on all information concerning beneficial ownership of a share of stock coming to their attention from any source and in any manner reasonably deemed by them to be reliable, but neither the Corporation nor any transfer agent shall be charged with any other knowledge concerning the beneficial ownership of a share of stock.

(5) Each share of Common Stock acquired by reason of any stock split or dividend shall be deemed to have been beneficially owned by the same person continuously from the same date as that on which beneficial ownership of the share of Common Stock, with respect to which such share of Common Stock was distributed, was acquired.

(6) Each share of Common Stock acquired upon conversion of the outstanding Series A and H Preferred Stock of the Corporation ("Convertible Stock") shall be deemed to have been beneficially owned by the same person continuously from the date on which such person acquired the Convertible Stock converted into such share of Common Stock.

(7) Where a holder beneficially owns shares having ten votes per share and shares having one vote per share, and transfers beneficial ownership of less than all of the shares held, the shares transferred shall be deemed to consist, in the absence of evidence to the contrary, of the shares having one vote per share.

(8) Shares of Common Stock held by the Corporation's employee benefit plans will be deemed to be beneficially owned by such plans regardless of how such shares are allocated to or voted by participants, until the shares are actually distributed to participants.

(9) Each share of Common Stock, whether at any particular time the holder thereof is entitled to exercise ten votes or one, shall be identical to all other shares of Common Stock in all other respects.

(10) Each share of Voting Preferred Stock, whether at any particular time the holder thereof is entitled to exercise ten votes or one, shall be identical in all other respects to all other shares of Voting Preferred Stock in the same designated series.

(11) Each share of Common Stock issued by the Corporation in a business combination transaction shall be deemed to have been beneficially owned by the person who received such share in the transaction continuously for the shortest period, as determined in good faith by the Board of Directors, that would be permitted for the transaction to be accounted for as a pooling of interests, provided that the Audit Committee of the Board of Directors has made a good faith determination that (a) such transaction has a bona fide business purpose, (b) it is in the best interests of the Corporation and its shareholders that such transaction be accounted for as a pooling of interests under generally accepted accounting principals and (c) such issuance of Common Stock does not have the effect of nullifying or materially restricting or disparately reducing the per share voting rights of holders of an outstanding class or classes of voting stock of the Corporation. Notwithstanding the foregoing, (i) the Corporation shall not issue shares in a business combination transaction if such issuance would result in a violation of any rule or regulation regarding the per share voting rights of publicly-traded securities that is promulgated by the Securities and Exchange Commission or the

principal exchange upon which the Common Stock is then listed for trading and (ii) nothing herein shall be interpreted to require the Corporation to account for any business combination transaction in any particular manner.

D. Non-Assessability; Transfers; Pre-emptive Rights. The stock of this Corporation shall be fully paid and non-assessable when issued and shall be personal property. No transfer of such stock shall be binding upon this Corporation unless such transfer is made in accordance with these Articles and the by-laws of this Corporation and duly recorded in the books thereof. No stockholder shall have any pre-emptive right to subscribe to any or all additions to the stock of this Corporation.

E. Series A Preferred Stock. The Corporation's Preferred Stock, Series A ("Series A Shares"), shall consist of 160,560 shares of Preferred Stock.

(1) Holders of the outstanding Series A Shares shall be entitled to one vote per share thereof, voting with holders of shares of Common Stock and with holders of other voting shares of Preferred Stock as a single class, except as to those matters on which holders of Preferred Stock or a particular series thereof are required by applicable law to vote separately; and shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of 6-1/8% per annum of the par value thereof, and no more, payable in cash quarterly on the last day of March, June, September and December, in each year when and as declared by the Board of Directors of the Corporation; provided that, if the Net Earnings per share of Common Stock of this Corporation reaches \$1.50 for the preceding calendar year, the annual dividend rate shall be 7-1/8% thereafter; and further provided that, if the Net Earnings per share of Common Stock reaches \$2.00 for the preceding calendar year, the annual dividend rate shall be 8-1/8% thereafter. For purposes hereof, "Net Earnings per share of Common Stock" shall be computed on a fully diluted basis in accordance with Release No. 15, as amended from time to time by the Accounting Principles Board (or any successor thereto) of the American Institute of Certified Public Accountants. Dividends shall accrue on each share of Series A from the date of its original issuance and shall accrue from day to day, whether or not earned or declared. Dividends shall be cumulative so that if dividends in respect of any previous quarterly dividend period at the prescribed rate per annum shall not have been paid on or declared and set apart from all Series A Shares at the time outstanding, the deficiency shall be fully paid on or declared and set apart for said shares before any dividend or other distribution shall be paid on or declared or set apart for shares of Common Stock.

(2) In the event of a liquidation, dissolution or winding up of this Corporation, the holders of Series A Shares shall be entitled to receive, pro rata with all other holders of Preferred Stock of whatever series, to the extent available out of the assets of this Corporation whether such assets are capital or surplus of any nature, an amount equal to the par value of such Preferred Stock, and in addition thereto, a further amount equal to the dividends unpaid and accumulated thereon, to the date that payment is made available to the holders of Preferred Stock, whether earned or declared or not, and no more, before any payment shall be made or any assets distributed to the holders of Common Stock. A consolidation or merger of this Corporation with or into any other corporation or corporations, or a sale of all or substantially all of the assets of the Corporation, shall not be deemed to be a liquidation, dissolution or winding up, within the meaning of this paragraph.

(3) If the average daily market price per share of this Corporation's Common Stock maintains a level of \$17.13 or higher for a period of at least ninety consecutive days, thereafter this Corporation, at the option of the Board of Directors, may at any time or from time to time redeem the whole or any part of the outstanding Series A Shares by paying in cash therefor twenty five dollars (\$25.00) per share and, in addition to the aforementioned amount, an amount in cash equal to all dividends thereon unpaid and accumulated as provided in paragraph (1) above, whether earned or declared or not, to and including the date fixed for redemption, such sum being hereinafter sometimes referred to as the redemption price. In case of the redemption of a part only of the outstanding Series A Shares, this Corporation shall designate by lot, in such manner as the Board of Directors may determine, the shares to be redeemed, or shall effect such redemption pro rata. Less than all of the Series A Shares at any time outstanding may not be redeemed until all dividends accrued and in arrears upon all Series A Shares outstanding shall have been paid for all past dividend periods, and until full dividends for the then current dividend period on all Series A Shares then outstanding, other than the shares to be redeemed, shall have been paid or declared and the full amount thereof set apart for payment. At least thirty (30) days' previous notice by mail, postage prepaid, shall be given to the holders of record of the Series A Shares to be redeemed, such notice to be addressed to each shareholder at his post office address as shown by the records of this Corporation. On or after the date fixed for redemption and stated in such notice, each holder of Series A Shares called for redemption shall surrender his certificate evidencing such shares to this Corporation at the place designated in such notice and shall thereupon be entitled to receive payment of the redemption price. In case less than all the shares represented by any such surrendered certificate are redeemed, a new certificate shall be issued representing the unredeemed shares. If such notice of redemption shall have been duly given, and if on the date fixed for redemption funds necessary for the redemption shall be available thereof, then, notwithstanding that the certificates evidencing any shares so called for redemption shall not have been surrendered, the dividends with respect to the shares so called for redemption shall cease to accrue after the date fixed for redemption and all rights with respect to the shares so called for redemption shall forthwith after such date cease and determine, except only the right of the holders to receive the redemption price without interest upon surrender of their certificates thereof.

If, on or prior to any date fixed for redemption of Series A Shares, this Corporation deposits, with any bank or trust company, as a trust fund, a sum sufficient to redeem, on the date fixed for redemption thereof, the shares called for redemption, with irrevocable instructions and authority to the bank or trust company to give the notice of redemption thereof if such notice shall not previously have been given by this Corporation, or to complete the giving if such notice is theretofore commenced, and to pay, on and after the date fixed for redemption or prior thereto, the redemption price of the shares to their respective holders upon the surrender of their share certificates, then from and after the date of the deposit (although prior to the date fixed for redemption), the shares so called shall cease to accrue after the date fixed for redemption. The deposit shall be deemed to constitute full payment of the shares to their holders and from and after the date of the deposit the shares shall be deemed to be no longer outstanding, and the holders thereof shall cease to be shareholders with respect to such shares, and shall have no rights with respect thereto except the right to receive from the bank or trust company payment of the redemption price of the shares without interest, upon the surrender of their certificates therefor, and the right to convert said shares as provided herein at any time up to but not after the close of business on the day prior to the date fixed for redemption of such shares. Any moneys deposited on account of the redemption price of

Series A Shares converted subsequent to the making of such deposit shall be repaid to the Corporation forthwith upon the conversion of such Series A Shares.

(4) The holders of Series A Shares shall have conversion rights as follows:

(a) The Series A Shares shall be convertible, at the option of the respective holders thereof, at any time prior to the day prior to such date, if any, as may have been fixed for the redemption thereof in any notice of redemption given as provided in (3) hereof, at the office of the Corporation or any transfer agent for such shares, into fully paid and non-assessable shares (calculated to the nearest whole share, fractions of a share being disregarded) of Common Stock of the Corporation, at conversion price in effect at the time of conversion determined as hereinafter provided, each Series A Share being taken at \$25.00 for the purpose of such conversion. The price at which shares of Common Stock shall be deliverable upon conversion (herein called the "conversion price") shall be \$11.42 per share until January 15, 1977, and thereafter the sum of (i) the average daily closing market price thereof during the preceding 24 months of any national securities exchange upon which said Common Stock is listed for trading or, in the absence of said listing, then as reported by the National Association of Securities Dealers, Inc., but not more than \$11.42 and not less than \$8.12 per share; and (ii) one-half of the difference between said average market price and \$11.42 per share; provided, however, that any Series A Shares called for redemption shall be thereafter convertible, at the option of the holders thereof, at any time prior to the date fixed for redemption, into shares of Common Stock, which shall be valued at \$11.42 per share for said purpose. Such conversion price shall be subject to adjustment from time to time in certain circumstances, as hereinafter provided. The Corporation shall make no payment or adjustment on account of any dividends accrued on the Series A Shares surrendered for conversion. In case of the call for redemption of any Series A Shares, the right of conversion shall terminate as to the shares designated for redemption, at the close of business on the day preceding the day fixed for redemption, unless default is made in the payment of the redemption price.

(b) Before any holder of Series A Shares shall be entitled to convert the same to Common Stock, he shall surrender the certificates or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Series A Shares, and shall give written notice to the Corporation at such office that he elects to convert the same and shall state in writing therein the name or names in which he wishes the certificate or certificates for Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Shares, or to his nominee or nominees, certificates for the number of full shares of Common Stock to which he shall be entitled, as aforesaid. Such conversion shall be deemed to have been made as of the date of surrender of the Series A Shares to be converted, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of that Common Stock on said date.

(c) In case the Corporation shall at any time subdivide the outstanding shares of Common Stock, or shall issue as a dividend on Common Stock such number of shares of Common Stock as shall equal 10% or more of the number of shares of Common Stock outstanding immediately prior to the issuance of such dividend, the conversion price in effect immediately prior to such subdivision or the issuance of such dividend shall be proportionately decreased, and in case the Corporation shall at any time combine the outstanding shares of Common Stock, the conversion price in effect immediately prior to such combination shall be proportionately increased, effective at the close of business on the date of such subdivision, dividend, or combination, as the case may be.

(d) No fractional shares of Common Stock shall be issued upon the conversion of Series A Shares. If any fractional interest in a share of Common Stock would, except for the provisions of this paragraph (d), be deliverable upon conversion hereunder, the Corporation shall adjust such fractional interest by rounding off said fractional interest to the nearest whole number of shares of Common Stock.

(e) Whenever the conversion price is adjusted, as herein provided, the Corporation shall forthwith maintain at its office and file with the transfer agents for Series A Shares, if any, a statement signed by the Chairman of the Board, or the President, or a Vice President of the Corporation, and by its Treasurer or an Assistant Treasurer, showing in detail the facts requiring such adjustment and the conversion price after such adjustment. Such transfer agents shall be under no duty or responsibility with respect to any such statement except to exhibit the same from time to time to any holder of Series A Shares desiring an inspection thereof.

(f) In case of any capital reorganization or any reclassification of the capital stock of the Corporation or in case of the consolidation or merger of the Corporation with or into another corporation or the conveyance of all or substantially all of the assets of the Corporation to another corporation, each Series A Share shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock of the Corporation deliverable upon conversion of such Series A Share would have been entitled upon such reorganization, reclassification, consolidation, merger or conveyance; and, in any such case, appropriate adjustment (as determined by the Board of Directors) shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of the Series A Shares, to the end that the provisions set forth herein (including provisions with respect to changes in and other adjustments of the conversion price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon conversion of the Series A Shares.

(g) In case:

1. the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend, or any other distribution, payable otherwise than in cash; or
2. the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them to subscribe for or purchase any shares of stock of any class or to receive any other rights; or

3. of any capital reorganization of the Corporation, reclassification of the capital stock of the Corporation (other than a subdivision or combination of its outstanding shares of Common Stock), consolidation or merger of the Corporation with or into another corporation, or conveyance of all of substantially all of the assets of the Corporation to another corporation; or

4. of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation; then, and in any such case, the Corporation shall cause to be mailed to the holders of record of the outstanding Series A Shares, at least 10 days prior to the date hereinafter specified, a notice stating the date on which (i) a record is to be taken for the purpose of such dividend, distribution or rights, or (ii) such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

(h) The Corporation shall at all times reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of the Series A Shares, the full number of shares of Common Stock deliverable upon the conversion of all Series A Shares from time to time outstanding.

(i) The Corporation shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series A Shares pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the Series A Shares so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established, to the satisfaction of the Corporation, that such tax has been paid.

(j) All certificates of the Series A Shares surrendered for conversion shall be appropriately cancelled on the books of the Corporation, and the shares so converted represented by such certificates shall be restored to the status of authorized but unissued Preferred Stock of the Corporation without designation as to series.

F. Series H Preferred Stock. The Corporation's Preferred Stock, Series H ("Series H Shares"), shall consist of 20,000 shares of Preferred Stock.

(1) Holders of the outstanding Series H Shares shall be entitled to one vote per share thereof, voting with holders of shares of Common Stock and with holders of other voting shares of Preferred Stock as a single class, except as to those matters on which holders of Preferred Stock or a particular series thereof are required by applicable law to vote separately; and shall be entitled to receive, out of any funds legally available therefor, dividends at the rate of 7% per annum of the part value thereof, and no more, payable in cash quarterly on the last day of March, June, September, and December in each year, commencing 1975, when and as declared by the Board of Directors of the Corporation. Dividends shall accrue on each share of Series H from the date of its original issuance and shall accrue from day to day, whether or not earned or declared. Dividends shall be cumulative so that if dividends in respect of any previously quarterly dividend period at the prescribed rate per annum shall not have been paid on or declared and set apart for all Series H Shares at the time outstanding, the deficiency shall be fully paid on or declared and set apart for said shares before any dividend or other distribution shall be paid on or declared or set apart for shares of Common Stock.

(2) In the event of a liquidation, dissolution or winding up of this Corporation, the holders of Series H Shares shall be entitled to receive, pro rata with all other holders of Preferred Stock of whatever series, to the extent available out of the assets of this Corporation, whether such assets are capital or surplus of any nature, an amount equal to the par value of such Preferred Stock, and in addition thereto, a further amount equal to the dividends unpaid and accumulated thereon, to the date that payment is earned or declared or not, and no more, before any payment shall be made or any assets distributed to the holders of Common Stock. A consolidation or merger of this Corporation with or into any other corporation or corporations, or a sale of all or substantially all of the assets of the Corporation, shall not be deemed to be a liquidation, dissolution or winding up, within the meaning of this paragraph.

(3) The holders of Series H Shares shall have conversion rights as follows:

(a) The Series H Shares shall be convertible, at the option of the respective holders thereof, at the office of the Corporation or any transfer agent for such shares, into fully paid and non-assessable shares (calculated to the nearest whole share, fractions of a share being disregarded) of Common Stock of the Corporation, at the conversion rate of one and twelve thirteenths (1-12/13ths) shares of Common Stock for each Series H Share converted. Such conversion rate shall be subject to adjustment from time to time in certain instances, as hereinafter provided. The Corporation shall make no payment or adjustment on account of any dividends accrued on the Series H Shares surrendered for conversion.

(b) Before any holder of Series H Shares shall be entitled to convert the same in 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 Series H Shares, and shall give written notice to the Corporation at such office that he elects to convert the same and shall state in writing therein the name or names in which he wishes the certificate or certificates for Common Stock to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series H Shares, or to his nominee or nominees, certificates for the number of full shares of Common Stock to which he shall be entitled, as aforesaid. Such conversion shall be deemed to have been made as of the date of surrender of the Series H Shares to be converted, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of that Common Stock on said date.

(c) In case the Corporation shall at any time subdivide the outstanding shares of Common Stock, or shall issue as a dividend on Common Stock such number of shares of Common Stock as shall equal 10% or more of the number of shares of Common Stock outstanding immediately prior

to the issuance of such dividend, the conversion price in effect immediately prior to such subdivision or the issuance of such dividend shall be proportionately decreased, and in case the Corporation shall at any time combine the outstanding shares of Common Stock, the conversion price in effect immediately prior to such combination shall be proportionately increased, effective at the close of business on the date of such subdivision, dividend or combination, as the case may be.

(d) No fractional shares of Common Stock shall be issued upon the conversion of Series H Shares. If any fractional interest in a share of Common Stock would, except for the provisions of this paragraph (d), be deliverable upon conversion hereunder, the Corporation shall adjust such fractional interest by rounding off said fractional interest to the nearest whole number of shares of Common Stock.

(e) Whenever the conversion is adjusted, as herein provided, the Corporation shall forthwith maintain at its office and file with the transfer agents for Series H Shares, if any, a statement signed by the Chairman of the Board, or the President, or a Vice President of the Corporation, and by its Treasurer or an Assistant Treasurer, showing in detail the facts requiring such adjustment and the conversion price after such adjustment. Such transfer agent shall be under no duty or responsibility with respect to any such statement except to exhibit the same from time to time to any holder of Series H Shares desiring an inspection thereof.

(f) In case of any capital reorganization or any reclassification of the capital stock of the Corporation or in case of the consolidation or merger of the Corporation with or into another corporation or the conveyance of all or substantially all of the assets of the Corporation to another corporation, each Series H Share shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock of the Corporation deliverable upon conversion of such Series H Shares would have been entitled upon such reorganization, reclassification, consolidation, merger or conveyance; and, in any such case, appropriate adjustment (as determined by the Board of Directors) shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of the Series H Shares, to the end that the provisions set forth herein (including provisions with respect to changes in and other adjustments of the conversion price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other property thereafter deliverable upon the conversion of the Series H Shares.

(g) In case:

1. the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend, or any other distribution, payable otherwise than in cash; or

2. the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them to subscribe for or purchase any shares of stock of any class or to receive any other rights; or

3. of any capital reorganization of the Corporation, reclassification of the capital stock of the Corporation (other than a subdivision or combination of its outstanding shares of Common Stock), consolidation or merger of the Corporation with or into another corporation, or conveyance of all or substantially all of the assets of the Corporation to another corporation; or

4. of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation; then, and in any such case, the Corporation shall cause to be mailed to the holders of record of the outstanding Series H Shares, at least 10 days prior to the date hereinafter specified, a notice stating the date on which (i) a record is to be taken for the purpose of such dividend, distribution, or rights, or (ii) such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

(h) The Corporation shall at all times reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of effecting the conversion of the Series H Shares, the full number of shares of Common Stock deliverable upon the conversion of all Series H Shares from time to time outstanding.

(i) The Corporation shall pay any and all issue and other taxes that may be payable in respect to any issue or delivery of shares of Common Stock or conversion of Series H Shares pursuant hereto. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock in a name other than that in which the Series H Shares so converted were registered, and no such issue or delivery shall be made unless and until the person requesting such issue has paid to the Corporation the amount of any such tax, or has established, to the satisfaction of the Corporation, that such tax has been paid.

(j) All certificates of the Series H Shares surrendered for conversion shall be appropriately cancelled on the books of the Corporation, and the shares so converted represented by such certificates shall be restored to the status of authorized but unissued Preferred Stock of the Corporation without designation as to series.

G. Series K Preferred Stock. The Corporation's 5% Cumulative Convertible Series K Preferred Stock ("Series K Shares") shall consist of 75,000 shares of Preferred Stock having the preferences, limitations and relative rights set forth below.

(1) Holders of the Series K Shares shall be entitled to cast one vote per share, voting with holders of shares of Common Stock and with holders of other series of voting preferred stock as a single class on any matter to come before a meeting of the shareholders, except with respect to the casting of ballots on those matters as to which holders of Preferred Stock or a particular series thereof are required by law to vote separately.

(2) The Series K Shares shall, with respect to dividend rights and rights upon liquidation, dissolution and winding up, rank prior to the Common Stock and pari passu with respect to the Series A Shares and Series H Shares. All equity securities of the Corporation as to which the Series K Shares rank prior, whether with respect to dividends or upon liquidation, dissolution or winding-up or otherwise, including the Common Stock, are collectively referred to herein as the "Junior Securities"; all equity securities of the Corporation as to which the Series K Shares rank pari passu, including the Series A Shares and Series H Shares, are collectively referred to herein as the "Parity Securities"; and all other equity securities of the Corporation (other than convertible debt securities) as to which the Series K Shares rank junior are collectively referred to herein as the "Senior Securities." The preferences, limitations and relative rights of the Series K Shares shall be subject to the preferences, limitations and relative rights of any Junior Securities, Parity Securities or Senior Securities issued after the Series K Shares.

(3) The holders of Series K Shares shall have the following dividend rights:

(a) The holders of record of the Series K Shares shall be entitled to receive, when, as and if declared by the Board of Directors out of funds of the Corporation legally available therefor, an annual cash dividend of \$1.25 on each Series K Share, payable quarterly on each March 31, June 30, September 30 and December 31 on which any Series K Shares shall be outstanding (each a "Dividend Due Date"), commencing on the last day of the calendar quarter in which a wholly-owned subsidiary of the Corporation merges with and into Kingsley Telephone Company. Dividends on each Series K Share shall accrue and be cumulative from and after the date of issuance of such Series K Share and dividends payable for any partial quarterly period shall be calculated on the basis of a year of 360 days consisting of twelve 30-day months. Dividends shall be payable to the holders of record as they appear on the Corporation's stock transfer books at the close of business on the record date for such payment, which the Board of Directors shall fix not more than 60 days or less than 10 days preceding a Dividend Due Date. Holders of the Series K Shares shall not be entitled to any dividends, whether paid in cash, property or stock, in excess of the cumulative dividends as provided in this paragraph (a) and shall not be entitled to any interest thereon.

(b) Unless all cumulative dividends accrued on the Series K Shares have been or contemporaneously are declared and paid or declared and a sum set apart sufficient for such payment through the most recent Dividend Payment Date, then (i) except as provided in the last sentence of this paragraph, no dividend or other distribution shall be declared or paid or set apart for payment on any Parity Securities, (ii) no dividend or other distribution shall be declared or paid or set aside for payment upon the Junior Securities (other than a dividend or distribution paid in shares of, or warrants, rights or options exercisable for or convertible into, Junior Securities) and (iii) no Junior Securities shall be redeemed, purchased or otherwise acquired for any consideration, nor shall any monies be paid to or made available for a sinking fund for the redemption of any Junior Securities, except by conversion of Junior Securities into, or by exchange of Junior Securities for, other Junior Securities. If accrued dividends are not paid or set apart with respect to the Series K Shares and all other Parity Securities in full, all dividends declared with respect to such securities shall be declared pro rata on a share-by-share basis among all Series K Shares and Parity Securities outstanding at the time.

(4) The holders of Series K Shares shall have the following conversion rights:

(a) Subject to the rights of the Corporation specified in paragraph (b) below, each Series K Share shall be convertible, at any time, at the option of the holder thereof into that number of fully paid and nonassessable shares of the Common Stock obtained by dividing \$25.00 by the Conversion Price then in effect under the terms of this subsection (4). Unless and until changed in accordance with the terms of this subsection (4), the Conversion Price shall be \$25.33. In order for a holder of the Series K Shares to effect such conversion, the holder shall deliver to Society Shareholder Services, Inc., Dallas Texas, or such other agent as may be designated by the Board of Directors as the transfer agent for the Series K Shares (the "Transfer Agent"), the certificates representing such shares in accordance with paragraph (c) below accompanied by written notice jointly addressed to the Corporation and the Transfer Agent that the holder thereof elects to convert such shares or a specified portion thereof. Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the certificates representing the Series K Shares being converted shall have been delivered to the Transfer Agent in accordance with each term and condition of paragraph (c) below, accompanied by the written notice jointly addressed to the Corporation and the Transfer Agent of such conversion (the "Optional Conversion Date"), and the person or persons in whose names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the Common Stock represented thereby at such time. As of the close of business on the Optional Conversion Date, the Series K Shares shall be deemed to cease to be outstanding and all rights of any holder thereof shall be extinguished except for the rights arising under the Common Stock issued in exchange therefor and the right to receive accrued and unpaid dividends on such Series K Shares through the Optional Conversion Date on the terms specified in paragraph (d) below.

(b) At any time after July 1, 1997, the Corporation, at its option, shall be entitled to convert, in whole but not in part, each outstanding Series K Share into that number of fully paid and nonassessable shares of Common Stock obtained by dividing \$25.00 by the Conversion Price then in effect. In order to effect such conversion, the Corporation shall mail notice to each record holder of the Series K Shares at least 30 but not more than 60 days prior to the date fixed for such conversion (the "Mandatory Conversion Date" and together with the Optional Conversion Date, the "Conversion Date"). Each notice shall specify the Mandatory Conversion Date and the Conversion Price then in effect. Any notice mailed in such manner shall be conclusively deemed to have been duly given regardless of whether such notice is in fact received. Upon receipt of such notice, the holder of Series K Shares shall promptly surrender to the Transfer Agent in accordance with paragraph

(c) below the certificate representing the converted Series K Shares. In order to facilitate the conversion of the Series K Shares, the Board of Directors may fix a record date for the determination of the holders of the Series K Shares, which shall not be more than 60 days prior to the Mandatory Conversion Date. As of the close of business on the Mandatory Conversion Date, the Series K Shares shall be deemed to cease to be outstanding and all rights of any holder thereof shall be extinguished except for the rights arising under the Common Stock issued in exchange therefore and the right to receive accrued and unpaid dividends on such Series K Shares through the Mandatory Conversion Date on the terms specified in paragraph (d) below; provided, however, that no certificates representing such Common Stock shall be issued and no

dividends or other distributions shall be payable with respect to such Common Stock, until the certificates representing the Series K Shares have been surrendered to the Transfer Agent in accordance with paragraph (c) below.

(c) In connection with surrendering to the Transfer Agent the certificates representing (or formerly representing) Series K Shares, the holder shall furnish the Transfer Agent with transfer instruments satisfactory to the Corporation and sufficient to transfer the Series K Shares being converted to the Corporation free of any adverse interest or claims. As promptly as practicable after the surrender of the Series K Shares in accordance with this paragraph and any other requirement under this subsection

(4), the Corporation, acting directly or through the Transfer Agent, shall issue and deliver to such holder certificates for the number of whole shares of Common Stock issuable upon the conversion of such shares in accordance with the provisions hereof (along with any interest payment specified in paragraph (a) or (b) above and cash payment in lieu of fractional shares specified in paragraph (e) below). Certificates will be issued for the balance of any remaining Series K Shares in any case in which fewer than all of the Series K Shares are converted. Any conversion under paragraph (a) or (b) shall be effected at the Conversion Price in effect on the Conversion Date.

(d) If the Conversion Date with respect to any Series K Share occurs after any record date with respect to the payment of a dividend on the Series K Shares (the "Dividend Record Date") and on or prior to the Dividend Due Date, then (i) the dividend due on such Dividend Due Date shall be payable to the holder of record of such share as of the Dividend Record Date and (ii) the dividend that accrues from the close of business on the Dividend Record Date through the Conversion Date shall be payable to the holder of record of such share as of the Conversion Date. Except as provided in this subsection (4), no payment or adjustment shall be made in connection with any conversion on account of any dividends accrued on Series K Shares surrendered for conversion or on account of any dividends on the Common Stock issued upon conversion.

(e) No fractional interest in a share of Common Stock shall be issued by the Corporation upon the conversion of any Series K Share. In lieu of any such fractional interest, the holder that would otherwise be entitled to such fractional interest shall receive a cash payment (computed to the nearest cent) equal to such fraction multiplied by the market value of a share of Common Stock, which shall be deemed to equal the last reported per share sale price of Common Stock on the New York Stock Exchange ("NYSE") (or, if the Common Stock is not then traded on the NYSE, then the last reported per share sale price on such other national securities exchange on which the Common Stock is listed or admitted to trading or, if not then listed or admitted to trading on any national securities exchange, then the last quoted bid price in the over-the-counter market as reported by the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ"), or any similar system of automated dissemination of securities prices) on the Trading Day (as defined below) immediately prior to the Conversion Date. As used in this subsection

(4), the term "Trading Day" means (i) if the Common Stock is listed or admitted for trading on any national securities exchange, days on which such national securities exchange is open for business, or (ii) if the Common Stock is not so listed or admitted for trading but is quoted by NASDAQ or any similar system of automated dissemination of quotations of securities prices, days on which trades may be made on such system.

(f) The Conversion Price shall be adjusted from time to time as follows:

1. If the Corporation shall pay or make a dividend or other distribution on any class of capital stock of the Company in the form of Common Stock, then the Conversion Price in effect at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution shall be reduced by multiplying such Conversion Price by a fraction the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator of which shall be the aggregate number of shares of Common Stock that would be outstanding if such dividend or other distribution were effected as of such date. For the purposes of this subparagraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation.

2. If the Corporation shall issue rights, warrants or other securities convertible into Common Stock to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share (determined as provided in subparagraph (6) below) of the Common Stock on the date fixed for the determination of shareholders entitled to receive such rights, warrants or convertible securities, then the Conversion Price in effect at the opening of business on the day following the date fixed for such determination shall be reduced by multiplying such Conversion Price by a fraction the numerator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock that the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such current market price and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase. For the purposes of this subparagraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Corporation.

3. If the outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, then the Conversion Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be reduced proportionately in the manner provided in subparagraph (1) above, and, conversely, if the outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, then the Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased.

4. If the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness or cash or other assets (excluding any dividend or distribution referred to in subparagraph (1) above, any rights, warrants or convertible securities referred

to in subparagraph (2) above, and any dividend payable solely in cash from the earnings of the Corporation), then in each case the Conversion Price shall be adjusted so that the Conversion Price shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the close of business on the record date for the determination of holders of Common Stock entitled to receive such distribution by a fraction the numerator of which shall be the current market price per share (determined as provided in subparagraph (6) below) of the Common Stock on such record date less the then fair market value per share (determined solely by the Board of Directors and described in a statement filed with the Transfer Agent) of the cash or other assets or evidences of indebtedness so distributed (and for which an adjustment to the Conversion Price has not previously been made pursuant to the terms of this paragraph (f)) applicable to one share of Common Stock and the denominator of which shall be such current market price per share of the Common Stock.

5. The reclassification of Common Stock into securities, including securities other than Common Stock (other than any reclassification upon a consolidation, merger or statutory share exchange to which subparagraph (9) below applies), shall be deemed to involve (A) a distribution of such securities other than Common Stock to all holders of Common Stock and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of shareholders entitled to receive such distribution" and "the date fixed for such determination" within the meaning of subparagraph (2) above, and (B) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision becomes effective" or "the day upon which such combination becomes effective," as the case may be, and "the day upon which such subdivision or combination becomes effective" within the meaning of subparagraph (3) above.

6. For the purpose of any computation under subparagraphs (2) and (4) above, the current market price per share of Common Stock on any day shall be deemed to be the average of the last reported sale price for the 20 consecutive Trading Days selected by the Board of Directors commencing no more than 30 Trading Days before and ending no later than the day before the day in question on the NYSE (or, if the Common Stock is not then traded on the NYSE, then the last reported sale price on such other national securities exchange on which the Common Stock is listed or admitted to trading or, if not then listed or admitted to trading on any national securities exchange, then the last quoted bid price in the over-the-counter market as reported by NASDAQ or any similar system of automated dissemination of securities prices).

7. No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% of such price; provided, however, that any adjustments which by reason of this subparagraph (7) are not required to be made shall be carried forward and taken into account in any subsequent adjustment and provided, further, that any adjustment shall be made in accordance with the provisions of this paragraph (f) (other than this subparagraph (7)) not later than such time as may be required in order to preserve the tax-free nature of a distribution to the holders of shares of Common Stock. Anything in this subparagraph (7) to the contrary notwithstanding, the Corporation shall be entitled to make such reductions in the Conversion Price, in addition to those required by this paragraph (f), as it in its discretion shall determine to be advisable in order that any stock dividend, subdivision or combination of shares, distribution of capital stock or rights or warrants to purchase stock or securities, or distribution of evidences of indebtedness or assets (other than cash dividends or distributions paid from retained earnings) hereafter made by the Corporation to its shareholders be a tax-free distribution for federal income tax purposes. All calculations shall be made to the nearest cent.

8. Whenever the Conversion Price is adjusted as herein provided, the Corporation shall promptly deliver to the Transfer Agent an officer's certificate setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment, which certificate shall constitute conclusive evidence, absent manifest error, of the correctness of such adjustment. Promptly after delivery of such certificate, the Corporation shall prepare and mail a notice to each holder of Series K Shares at each such holder's last address as the same appears on the books of the Corporation, which notice shall set forth the Conversion Price and a brief statement of the facts requiring the adjustment.

9. If the Corporation shall be a party to any transaction, including, without limitation, a merger, consolidation or statutory share exchange but excluding a reincorporation merger and any transaction as to which subparagraphs (1) through (5) apply, in which shares of Common Stock shall be converted into the right to receive securities, cash or other property (or any combination thereof) (each of the foregoing being referred to herein as a "Transaction"), then each holder of Series K Shares outstanding shall have the right thereafter to convert such shares only into the kind and amount of securities, cash and other property receivable in connection with such Transaction by a holder of the number of shares of Common Stock into which such Series K Shares might have been converted immediately prior to such Transaction, assuming such holder of Common Stock (A) is not an entity with which the Corporation consolidated, into which the Corporation merged, that merged into the Corporation, that engaged in a share exchange, or to which such sale or transfer was made, as the case may be (a "constituent entity"), or an affiliate of a constituent entity, (B) did not exercise dissenters' rights with respect to such Transaction and (C) failed to exercise his rights of election, if any, as to the kind or amount of securities, cash or other property receivable in connection with such Transaction (provided that if the kind or amount of securities, cash and other property receivable in connection with such Transaction is not the same for each share of Common Stock held immediately prior to such Transaction by holders other than a constituent entity or an affiliate thereof and in respect of which such rights of election shall not have been exercised ("non-electing share"), then for the purpose of this subparagraph (9) the kind and amount of securities, cash and other property receivable in connection with such Transaction by each non-electing share shall be deemed to be the kind and amount so receivable per share by all or a plurality of the non-electing shares). If necessary, appropriate adjustment shall be made in the application of the provisions set forth herein with respect to the rights and interests thereafter of the holders of Series K Shares so that the provisions set forth herein shall thereafter correspondingly be made applicable, as nearly as may reasonably be, in relation to any shares of stock or other securities or property thereafter deliverable on the conversion of the shares. Any such adjustment shall be evidenced by a certificate of independent public accountants and a notice of such adjustment filed and mailed in the manner set forth in subparagraph (8) above, and each containing the information set forth in such subparagraph (8); and any adjustment so certified shall for all purposes hereof conclusively be deemed to be an appropriate adjustment. The above provisions shall similarly apply to successive Transactions.

10. For purposes of this paragraph (f), "Common Stock" includes any stock of any class of the Corporation that has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and that is not subject to redemption by the Corporation. However, subject to the provisions of subparagraph (9) above, shares issuable on conversion of Series K Shares shall include only shares of the class designated as Common Stock of the Corporation on the date of the initial issuance of Series K Shares by the Corporation, or shares of any class or classes resulting from any reclassification thereof that have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation and that are not subject to redemption by the Corporation; provided that if at any time there shall be more than one such resulting class, the shares of each such class then so issuable shall be substantially in the proportion that the total number of shares of such class resulting from all such reclassifications bears to the total number of shares of all such classes resulting from all such reclassifications.

(g) The Corporation shall pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issuance or delivery of shares of Common Stock in connection with conversions of Series K Shares pursuant hereto; provided, however, that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Common Stock in a name other than that of the record holder of the Series K Shares to be converted and no such issue or delivery shall be made unless and until the person requesting such issue or delivery has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

(h) The Corporation covenants that (A) all shares of Common Stock that may be issued upon conversions of Series K Shares will upon issuance be duly and validly issued, fully paid and nonassessable, free of all liens and charges and not subject to any preemptive rights, and (B) it will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued shares of Common Stock or its issued shares of Common stock held in its treasury, or both, for the purpose of effecting conversions of Series K Shares, the whole number of shares of Common Stock deliverable upon the conversion of all outstanding Series K Shares.

(5) The holders of Series K Shares shall have the following liquidation rights and preferences:

(a) Upon any voluntary or involuntary dissolution, liquidation, or winding up of the Corporation (for the purposes of this subsection (5), a "Liquidation"), the holder of each Series K Share then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders an amount equal to \$25.00 per share plus all dividends (whether or not declared or due) accrued and unpaid on such share through the date fixed for the distribution of assets of the Corporation to the holders of Series K Shares. With respect to the distribution of the Corporation's assets upon a Liquidation, the Series K Shares shall rank prior to Junior Securities, pari passu with the Parity Securities and junior to the Senior Securities.

(b) If upon any Liquidation of the Corporation, the assets available for distribution to the holders of Series K Shares and any Parity Securities then outstanding shall be insufficient to pay in full the liquidation distributions to the holders of the outstanding Series K Shares and Parity Securities in accordance with the terms of these Articles of Incorporation, then the holders of such shares shall share ratably in such distribution of assets.

(c) Neither the voluntary sale, conveyance, lease, pledge, exchange or transfer of all or substantially all the property or assets of the Corporation, the merger or consolidation of the Corporation into or with any other corporation, the merger of any other corporation into the Corporation, a statutory share exchange with any other corporation, nor any purchase or redemption of some or all of the shares of any class or series of stock of the Corporation, shall be deemed to be a Liquidation of the Corporation for the purposes of this subsection (5) (unless in connection therewith the Liquidation of the Corporation is specifically approved).

(d) The holder of any Series K Shares shall not be entitled to receive any payment owed for such shares under this subsection (5) until such holder shall cause to be delivered to the Corporation the certificate or certificates representing such Series K Shares and transfer instruments satisfactory to the Corporation and sufficient to transfer such Series K Shares to the Corporation free of any adverse interest or claim. No interest shall accrue on any payment upon Liquidation.

(e) After payment of the full amount of the liquidating distribution to which they are entitled, the holders of Series K Shares will not be entitled to any further participation in any distribution of assets by the Corporation.

(6) The Series K Shares is not entitled to any preemptive or subscription rights in respect of any securities of the Corporation.

H. Junior Preferred Stock. The Corporation's Series AA Junior Participating Preferred Stock (the "Junior Preferred Stock") shall consist of 300,000 shares of Preferred Stock.

(1) The rights of the holders of Junior Preferred Stock to dividends and distributions shall be as follows:

(a) Subject to the provisions for adjustment hereinafter set forth, the holders of shares of Junior Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, (i) cash dividends in an amount per share (rounded to the nearest cent) equal to 100 times the aggregate per share amount of all cash dividends declared or paid on the Common Stock, and (ii) a preferential cash dividend ("Preferential Dividends"), if any, on the 15th day of March, June, September, and December of each year or, if such 15th day is not a business day, on the business day immediately preceding such 15th day (each a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Junior Preferred

Stock, in an amount equal to \$21.00 per share of Junior Preferred Stock less the per share amount of all cash dividends declared on the Junior Preferred Stock pursuant to clause

(i) of this sentence since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Junior Preferred Stock. In the event this Corporation shall, at any time after the issuance of any share or fraction of a share of Junior Preferred Stock, make any distribution on the shares of Common Stock, whether by way of a dividend or a reclassification of stock, a recapitalization, reorganization or partial liquidation of the Corporation or otherwise, which is payable in cash or any debt security, debt instrument, real or personal property or any other property (other than cash dividends subject to clause (i) of the immediately preceding sentence and other than a distribution of shares of Common Stock or other capital stock of this Corporation and other than a distribution of rights or warrants to acquire any such share, including any debt security convertible into or exchangeable for any such share, at a price less than the Current Market Price of such share), then and in each such event this Corporation shall simultaneously pay on each then outstanding share of Junior Preferred Stock a distribution, in like kind, of 100 times (subject to the provisions for adjustment hereinafter set forth) such distribution paid on a share of Common Stock. The dividends and distributions on the Junior Preferred Stock to which holders thereof are entitled pursuant to clause (i) of the first sentence of this paragraph and pursuant to the second sentence of this paragraph are hereinafter referred to as "Participating Dividends," and the multiple of such cash and non-cash dividends on the Common Stock applicable to the determination of the Participating Dividends, which shall be 100 initially but shall be adjusted from time to time as hereinafter provided, is hereinafter referred to as the "Dividend Multiple." In the event this Corporation shall at any time declare or pay any dividend or make any distribution on Common Stock payable in shares of Common Stock, or effect a subdivision or split or a combination, consolidation or reverse split of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the Dividend Multiple thereafter applicable to the determination of the amount of Participating Dividends which holders of shares of Junior Preferred Stock shall be entitled to receive shall be the Dividend Multiple applicable immediately prior to such event multiplied by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) This Corporation shall declare each Participating Dividend at the same time it declares any cash or non-cash dividend or distribution on the Common Stock in respect of which a Participating Dividend is required to be paid. No cash or non-cash dividend or distribution on the Common Stock in respect of which a Participating Dividend is required to be paid shall be paid or set aside for payment on the Common Stock unless a Participating Dividend in respect of such dividend or distribution on the Common Stock shall be simultaneously paid, or set aside for payment, on the Junior Preferred Stock.

(c) Preferential Dividends shall begin to accrue on outstanding shares of Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issuance of any shares of Junior Preferred Stock. Accrued but unpaid Preferential Dividends shall cumulate but shall not bear interest. Preferential Dividends paid on the shares of Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding.

(2) The holders of shares of Junior Preferred Stock shall have the following voting rights:

(a) Subject to the provisions for adjustment hereinafter set forth, each share of Junior Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the shareholders of this Corporation. The number of votes which a holder of Junior Preferred Stock is entitled to cast, as the same may be adjusted from time to time as hereinafter provided, is hereinafter referred to as the "Vote Multiple." In the event this Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or split or a combination, consolidation or reverse split of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the Vote Multiple thereafter applicable to the determination of the number of votes per share to which holders of shares of Junior Preferred Stock shall be entitled after such event shall be the Voting Multiple immediately prior to such event multiplied by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein or by law, the holders of shares of Junior Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of this Corporation.

(c) The holder of a fractional share of Junior Preferred Stock may vote any such fractional share in increments of 1/100 of a share on all matters submitted to a vote of the shareholders of this Corporation such that the holder of a fractional share of Junior Preferred Stock may cast one vote for each one hundredth of a share of Junior Preferred Stock held of record by him.

(d) In the event that the Preferential Dividends accrued on the Junior Preferred Stock for four or more quarterly dividend periods, whether consecutive or not, shall not have been declared and paid or set apart for payment, the holders of record of the Junior Preferred Stock shall have the right, at the next meeting of shareholders called for the election of directors, voting as a class to elect two members to the Board of Directors, which directors shall be in addition to the number provided for under the By-laws prior to such event, to serve until the next Annual Meeting and until their successors are elected and qualified or their earlier resignation, removal or incapacity or until such earlier time as all accrued and unpaid Preferential Dividends upon the outstanding shares of Junior Preferred Stock shall have been paid (or set aside for payment) in full. The holders of shares of Junior Preferred Stock shall continue to have the right to elect directors as provided by the immediately preceding sentence until all accrued and unpaid Preferential Dividends upon the outstanding shares of Junior Preferred Stock shall have been paid (or set aside for payment) in full. Such directors may be removed and replaced by such shareholders, and vacancies in such directorships may be filled only by such shareholders (or by the remaining director elected by such shareholders, if there be one) in the manner permitted by law; provided, however, that any such action by shareholders shall be taken at a meeting of shareholders and shall not be taken by written consent thereof.

(e) Except as otherwise required by law or set forth herein, holders of Junior Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for the taking of any corporate action.

(3) This Corporation shall abide by the following restrictions:

(a) Whenever Preferential Dividends or Participating Dividends are in arrears or this Corporation shall be in default in payment thereof, thereafter and until all accrued and unpaid Preferential Dividends and Participating Dividends, whether or not declared, on shares of Junior Preferred Stock outstanding shall have been paid or set aside for payment in full, and in addition to any and all other rights which any holder of shares of Junior Preferred Stock may have in such circumstances, the Corporation shall not:

1. declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to, the Junior Preferred Stock;

2. declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity as to dividends with the Junior Preferred Stock, unless dividends are paid ratably on the Junior Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

3. except as permitted by subparagraph (4) below, redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, provided that this Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (both as to dividends and upon liquidation, dissolution or winding up) to the Junior Preferred Stock; or

4. purchase or otherwise acquire for consideration any shares of Junior Preferred Stock, or any shares of stock ranking on a parity with the Junior Preferred Stock (either as to dividends or upon liquidation, dissolution or winding up), except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) This Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph

(a) of this Section 3, purchase or otherwise acquire such shares at such time and in such manner.

(c) This Corporation shall not issue any shares of Junior Preferred Stock except upon exercise of Rights issued pursuant to that certain Rights Agreement dated as of November 17, 1986 between the Corporation and the Rights Agent named therein or any comparable agreement entered into after the expiration date thereof (the "Rights Agreement"), a copy of which is on file with the Secretary of the Corporation at its principal executive office and shall be made available to shareholders of record without charge upon written request therefor addressed to said Secretary. Notwithstanding the foregoing sentence, nothing contained in the provisions hereof shall prohibit or restrict this Corporation from issuing for any purpose any series of preferred stock with rights and privileges similar to, different from, or greater than, those of the Junior Preferred Stock.

(4) Any shares of Junior Preferred Stock purchased or otherwise acquired by this Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. This Corporation shall cause all such shares upon their retirement and cancellation to become authorized but unissued shares of preferred stock, without designation as to series, and such shares may be reissued as part of a new series of preferred stock to be created by resolution or resolutions of the Board of Directors.

(5) Upon any voluntary or involuntary liquidation, dissolution or winding up of this Corporation, no distribution shall be made (a) to the holders of shares of stock ranking junior to the Junior Preferred Stock (upon liquidation, dissolution or winding up) unless the holders of shares of Junior Preferred Stock shall have received, subject to adjustment as hereinafter provided, the greater of either (i) \$8,500 per share plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, or (ii) the amount equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock, or

(b) to the holders of stock ranking on a parity upon liquidation, dissolution or winding up with the Junior Preferred Stock, unless simultaneously therewith distributions are made ratably on the Junior Preferred Stock and all other shares of such parity stock in proportion to the total amounts to which the holders of shares of Junior Preferred Stock are entitled under clause (a)(i) of this sentence and to which the holders of such parity shares are entitled, in each case upon such liquidation, dissolution or winding up. The amount to which holders of Junior Preferred Stock shall be entitled upon liquidation, dissolution or winding up of this Corporation pursuant to clause (a)(ii) of the foregoing sentence is hereinafter referred to as the "Participating Liquidation Amount" and the multiple of the amount to be distributed to holders of shares of Common Stock upon the liquidation, dissolution or winding up of this Corporation applicable pursuant to said clause to the determination of the Participating Liquidation Amount, which shall be 100 initially but shall be adjusted from time to time as hereinafter provided, is hereinafter referred to as the "Liquidation Multiple." In the event this Corporation shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or split or a combination, consolidation or reverse split of the outstanding shares of Common Stock into a greater or lesser number of shares of Common Stock, then in each such case the Liquidation Multiple therefor applicable to the determination of the Participating Liquidation Amount to which holders of Junior Preferred Stock shall be entitled after such event shall be the Liquidation Multiple applicable immediately prior to such event multiplied by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of

shares of Common Stock that were outstanding immediately prior to such event.

(6) The holders of shares of Junior Preferred Stock shall have the following rights:

(a) In the event that holders of shares of Common Stock of this Corporation receive in respect of their shares of Common Stock any share of capital stock of this Corporation (other than any share of Common Stock of the Corporation), whether by way of reclassification, recapitalization, reorganization, dividend or other distribution or otherwise ("Transaction"), then and in each such event the dividend rights, voting rights and rights upon the liquidation, dissolution or winding up of this Corporation of the shares of Junior Preferred Stock shall be adjusted so that after such event the holders of Junior Preferred Stock shall be entitled, in respect of each share of Junior Preferred Stock held, in addition to such rights in respect thereof to which such holder was entitled immediately prior to such adjustment, to (i) such additional dividends as equal the Dividend Multiple in effect immediately prior to such Transaction multiplied by the additional dividends which the holder of a share of Common Stock shall be entitled to receive by virtue of the receipt in the Transaction of such capital stock, (ii) such additional voting rights as equal the Vote Multiple in effect immediately prior to such Transaction multiplied by the additional voting rights which the holder of a share of Common Stock shall be entitled to receive by virtue of the receipt in the Transaction of such capital stock and (iii) such additional distributions upon liquidation, dissolution or winding up of this Corporation as equal the Liquidation Multiple in effect immediately prior to such Transaction multiplied by the additional amount which the holder of a share of Common Stock shall be entitled to receive upon liquidation, dissolution or winding up of this Corporation by virtue of the receipt in the Transaction of such capital stock, as the case may be, all as provided by the terms of such capital stock.

(b) In the event that holders of shares of Common Stock of this Corporation receive in respect of their shares of Common Stock any right or warrant to purchase Common Stock (including as such a right, for all purposes of this paragraph, any security convertible into or exchangeable for Common Stock) at a purchase price per share less than the Current Market Price (as hereinafter defined) of a share of Common Stock on the date of issuance of such right or warrant, then and in each such event the dividend rights, voting rights and rights upon the liquidation, dissolution or winding up of this Corporation of the shares of Junior Preferred Stock shall each be adjusted so that after such event the Dividend Multiple, the Vote Multiple and the Liquidation Multiple shall each be the product of the Dividend Multiple, the Vote Multiple and the Liquidation Multiple, as the case may be, in effect immediately prior to such event multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the maximum number of shares of Common Stock which could be acquired upon exercise in full of all such rights or warrants and the denominator of which shall be the number of shares of Common Stock outstanding immediately before such issuance of rights or warrants plus the number of shares of Common Stock which could be purchased, at the Current Market Price of the Common Stock at the time of such issuance, by the maximum aggregate consideration payable upon exercise in full of all such rights or warrants.

(c) In the event that holders of shares of Common Stock of this Corporation receive in respect of their shares of Common Stock any right or warrant to purchase capital stock of this Corporation (other than shares of Common Stock), including as such a right, for all purposes of this paragraph, any security convertible into or exchangeable for capital stock of this Corporation (other than Common Stock), at a purchase price per share less than the Current Market Price of such shares of capital stock on the date of issuance of such right or warrant, then and in each such event the dividend rights, voting rights and rights upon liquidation, dissolution or winding up of this Corporation of the shares of Junior Preferred Stock shall each be adjusted so that after such event each holder of a share of Junior Preferred Stock shall be entitled, in respect of each share of Junior Preferred Stock held, in addition to such rights in respect thereof to which such holder was entitled immediately prior to such event, to receive (i) such additional dividends as equal the Dividend Multiple in effect immediately prior to such event multiplied, first, by the additional dividends to which the holder of shares of Common Stock shall be entitled upon exercise of such right or warrant by virtue of the capital stock which could be acquired upon such exercise and multiplied again by the Discount Fraction (as hereinafter defined) and (ii) such additional voting rights as equal the Vote Multiple in effect immediately prior to such event multiplied, first, by the additional voting rights to which the holder of a share of Common Stock shall be entitled upon exercise of such right or warrant by virtue of the capital stock which could be acquired upon such exercise and multiplied again by the Discount Fraction and (iii) such additional distributions upon liquidation, dissolution or winding up of this Corporation as equal the Liquidation Multiple in effect immediately prior to such event multiplied, first, by the additional amount which the holder of a share of Common Stock shall be entitled to receive upon liquidation, dissolution or winding up of this Corporation upon exercise of such right or warrant by virtue of the capital stock which could be acquired upon such exercise and multiplied again by the Discount Fraction. For purposes of this paragraph, the "Discount Fraction" shall be a fraction, the numerator of which shall be the difference between the Current Market Price (as hereinafter defined) of a share of the capital stock subject to a right or warrant distributed to the holders of shares of Common Stock of this Corporation as contemplated by this paragraph immediately after the distribution thereof and the purchase price per share for such share of capital stock pursuant to such right or warrant and the denominator of which shall be the Current Market Price of a share of such capital stock immediately after the distribution of such right or warrant.

(d) For purposes of this Section (6), the "Current Market Price" of a share of capital stock of this Corporation (including a share of Common Stock) on any date shall be deemed to be the average of the daily closing prices per share thereof over the 30 consecutive Trading Days (as such term is hereinafter defined) immediately prior to such date; provided, however, that, in the event that such Current Market Price of any such share of capital stock is determined during a period which includes any date that is within 30 Trading Days after the ex-dividend date for (i) a dividend or distribution on stock payable in shares of such stock or securities convertible into shares of such stock, or (ii) any subdivision, split, combination, consolidation, reverse stock split or reclassification of such stock, then, and in each such case, the Current Market Price shall be appropriately adjusted by the Board of Directors of this Corporation to reflect the Current Market Price of such stock to take into account ex-dividend trading. The closing price for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange, or, if the shares are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the shares are listed or admitted to trading or, if the shares are not listed or admitted to

trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") or such other system then in use, or if on any such date the shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the shares selected by the Board of Directors of this Corporation. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the shares are listed or admitted to trading is open for the transaction of business or, if the shares are not listed or admitted to trading on any national securities exchange, on which the New York Stock Exchange or such other national securities exchange as may be selected by the Board of Directors of this Corporation is open. If the shares are not publicly held or not so listed or traded on any day within the period of 30 Trading Days applicable to the determination of Current Market Price thereof as aforesaid, "Current Market Price" shall mean the fair market value thereof per share as determined in good faith by the Board of Directors of this Corporation. In either case referred to in the foregoing sentence, the determination of Current Market Price shall be described in a statement filed with the Secretary of the Corporation.

(7) In case this Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each outstanding share of Junior Preferred Stock shall at the time be similarly exchanged for or changed into the aggregate amount of stock, securities, cash and/or other property (payable in like kind), as the case may be, for which or into which each share of Common Stock is changed or exchanged multiplied by the highest of the Vote Multiple, the Dividend Multiple or the Liquidation Multiple in effect immediately prior to such event.

(8) Adjustments to the Junior Preferred Stock required by the provisions hereof shall be effective as of the time at which the event requiring such adjustments occurs. This Corporation shall give prompt written notice to each holder of a share of Junior Preferred Stock of the effect of any adjustment to the voting rights, dividend rights or rights upon liquidation, dissolution or winding up of this Corporation of such shares required by the provisions hereof. Notwithstanding the foregoing sentence, the failure of this Corporation to give such notice shall not affect the validity of or the force or effect of or the requirement for such adjustment.

(9) The shares of Junior Preferred Stock shall not be redeemable at the option of this Corporation or any holder thereof. Notwithstanding the foregoing sentence of this Section, this Corporation may acquire shares of Junior Preferred Stock in any other manner permitted by law, the provisions hereof and the Articles of Incorporation of the Corporation.

(10) Unless otherwise provided in these Articles of Incorporation, the Junior Preferred Stock shall rank junior to all other series of the Corporation's preferred stock (as to the payment of dividends and the distribution of assets on liquidation, dissolution or winding up) and senior to the Common Stock.

(11) The provisions of this Section of the Articles of Incorporation shall not be amended in any manner which would materially affect the rights, privileges or powers of the Junior Preferred Stock without, in addition to any other vote of shareholders required by law, the affirmative vote of the holders of 80% or more of the outstanding shares of Junior Preferred Stock, voting together as a single class.

ARTICLE IV

Directors

A. Number of Directors. The business and affairs of this Corporation shall be managed under the direction of the Board of Directors. The number of directors comprising the Board of Directors of this Corporation (exclusive of directors who may be elected by the holders of any one or more series of Preferred Stock voting separately) shall be 14 unless otherwise determined from time to time by resolution adopted by the affirmative votes of both (i) 80% of the directors then in office and (ii) a majority of the Continuing Directors (as defined in Article V(D)), voting as a separate group, provided, however, that no decrease in the number of directors shall shorten the term of any incumbent director.

B. Classification. The Board of Directors, other than those who may be elected by the holders of any one or more series of Preferred Stock voting separately, shall be divided, with respect to the time during which they shall hold office, into three classes, designated Class I, II and III, as nearly equal in number as possible. Any increase or decrease in the number of directors shall be apportioned by the Board of Directors so that all classes of directors shall be as nearly equal in number as possible. At each annual meeting of shareholders, directors chosen to succeed those whose terms then expire shall be elected to hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election and until their successors are duly elected and qualified.

C. Vacancies. Except as provided in Article IV(G) hereof, any vacancy on the Board (including any vacancy resulting from an increase in the authorized number of directors or from a failure of the shareholders to elect the full number of authorized directors) may, notwithstanding any resulting absence of a quorum of directors, be filled only by the Board of Directors, acting by vote of both (i) a majority of the directors then in office and

(ii) a majority of all the Continuing Directors, voting as a separate group, and any director so appointed shall serve until the next shareholders' meeting held for the election of directors of the class to which he shall have been appointed and until his successor is duly elected and qualified.

D. Removal. Subject to Article IV(G) hereof and notwithstanding any other provisions of these Articles or the Bylaws of this Corporation, any director or the entire Board of Directors may be removed at any time, but only for cause, by the affirmative vote at a meeting of shareholders called for such purpose of the holders of both (i) a majority of the Total Voting Power (as defined in Article V(D) hereof) entitled to be cast by the holders of Voting Stock (as defined in Article V(D) hereof), voting together as a single class, and (ii) a majority of the Total Voting Power

entitled to be cast by the Independent Shareholders (as defined in Article V(D) hereof), voting as a separate group. At the same meeting in which the shareholders remove one or more directors, a successor or successors may be elected for the unexpired term of the director or directors removed. Except as set forth in this Article, directors shall not be subject to removal.

E. Tender Offers and Other Extraordinary Transactions. In connection with the exercise of its judgment in determining what is in the best interest of the Corporation and its stockholders when evaluating a Business Combination (as defined in Article V(D) hereof) or a tender or exchange offer or a proposal by another Person or Persons to make a tender or exchange offer, the Board of Directors of the Corporation shall consider, in addition to the adequacy of the amount to be paid in connection with any such transaction, all of the following factors and any other factors which it deems relevant: (i) the social and economic effects of the transaction on the Corporation and its subsidiaries, and their respective employees, customers, creditors and other elements of the communities in which they operate or are located, (ii) the business and financial condition and earnings prospects of the acquiring Person or Persons, including, but not limited to, debt service and other existing or likely financial obligations of the acquiring Person or Persons, and the possible effect of such conditions upon the Corporation and its Subsidiaries and the other elements of the communities in which the Corporation and its subsidiaries operate or are located, and (iii) the competence, experience and integrity of the acquiring Person or Persons and its or their management.

F. Board Qualifications. (1) Except as otherwise provided in Article IV(G) hereof, no person shall be eligible for nomination, election or service as a director of the Corporation who shall:

(a) in the opinion of the Board of Directors fail to respond satisfactorily to the Corporation respecting any inquiry of the Corporation for information to enable the Corporation to make any certification required by the Federal Communications Commission under the Anti-Drug Abuse Act of 1988 or to determine the eligibility of such person under this Article;

(b) have been arrested or convicted of any offense concerning the distribution or possession of, or trafficking in, drugs or other controlled substances, provided that in the case of an arrest the Board of Directors may in its discretion determine that notwithstanding such arrest such persons shall remain eligible under this Article; or

(c) have engaged in actions that could lead to such an arrest or conviction and that the Board of Directors determines would make it unwise for such person to serve as a director of the Corporation.

(2) Any person serving as a director of the Corporation shall automatically cease to be a director on such date as he ceases to have the qualifications set forth in paragraph (1) above, and his position shall be considered vacant within the meaning of Article IV(C) hereof.

G. Directors Elected by Preferred Shareholders. Notwithstanding anything in these Articles of Incorporation to the contrary, whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the provisions of these Articles of Incorporation (as they may be duly amended from time to time) fixing the rights and preferences of such Preferred Stock shall govern with respect to the nomination, election, term, removal, vacancies or other related matters with respect to such directors.

ARTICLE V

Certain Business Combinations

A. Vote Required in Business Combinations. No Business Combination may be effected unless all of the following conditions have been fulfilled:

(1) In addition to any vote otherwise required by law or these Articles, the proposal to effect a Business Combination shall have been approved by (i) a majority of the directors then in office and a majority of the Continuing Directors and (ii) by the affirmative votes of both of the following:

(a) 80% of the Total Voting Power entitled to be cast by holders of outstanding shares of Voting Stock of this Corporation, voting as a separate voting group; and

(b) Two-thirds of the Total Voting Power entitled to be cast by the Independent Stockholders present or duly represented at a meeting, voting as a separate voting group.

(2) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934, as amended (the "Act"), and the rules and regulations thereunder (or any subsequent provisions replacing the Act, rules or regulations as a whole or in part) is mailed to all shareholders of the Corporation at least 30 days prior to the consummation of such Business Combination (regardless of whether such proxy or information statement is required pursuant to the Act or subsequent provisions).

B. Nonapplicability of Voting Requirements. The vote required by Paragraph A of this Article does not apply to a Business Combination if all conditions specified in either of paragraphs 1 or 2 below are met:

(1) The proposed Business Combination is approved prior to the time the Related Person involved in the proposed transaction became a Related Person by the affirmative votes of both a majority of the directors then in office and a majority of the Continuing Directors, voting as a separate group.

(2) All of the following five conditions have been met:

(a) The aggregate amount of the cash and the Market Value on the Valuation Date of consideration other than cash to be received per share by all holders of Common Stock in such Business Combination is at least equal to the highest of the following:

1. the highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or on behalf of the Related Person for any shares of Common Stock of the same class or series acquired by it within the two-year period immediately prior to the Announcement Date or in the transaction in which it became a Related Person, whichever is higher;
2. The Market Value per share of Common Stock of the same class or series on the Announcement Date or on the Determination Date, whichever is higher; or
3. The price per share equal to the Market Value per share of Common Stock of the same class or series determined pursuant to clause (2) immediately preceding, multiplied by the fraction of (i) the highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or for the Related Person for any shares of Common Stock of the same class or series acquired by it within the two-year period immediately prior to the Announcement Date, over (ii) the Market Value per share of Common Stock of the same class or series on the first day in such two-year period on which the Related Person acquired any shares of Common Stock.

(b) The aggregate amount of the cash and the Market Value as of the Valuation Date of consideration other than cash to be received per share by holders of shares of any class or series of outstanding stock other than Common Stock is at least equal to the highest of the following, whether or not the Related Person has previously acquired any shares of a particular class or series of stock:

1. The highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or for the Related Person for any shares of such class of stock acquired by it within the two-year period immediately prior to the Announcement Date or in the transaction in which it became a Related Person, whichever is higher;
2. The highest preferential amount per share to which the holders of shares of such class of stock are entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of this Corporation;
3. The Market Value per share of such class of stock on the Announcement Date or on the Determination Date, whichever is higher; or
4. The price per share equal to the Market Value per share of such class of stock determined pursuant to clause (3) immediately preceding, multiplied by the fraction of (i) the highest per share price, including any brokerage commissions, transfer taxes and soliciting dealers' fees, paid by or for the Related Person for any shares of any class of Voting Stock acquired by it within the two-year period immediately prior to the Announcement Date, over (ii) the Market Value per share of the same class of Voting Stock on the first day in such two-year period on which the Related Person acquired any shares of the same class of Voting Stock.

(c) The consideration to be received by holders of any class or series of outstanding stock is to be in cash or in the same form as the Related Person has previously paid for shares of the same class or series of stock. If the Related Person has paid for shares of any class of stock with varying forms of consideration, the form of consideration for such class of stock shall be either cash or the form used to acquire the largest number of shares of such class or series of stock previously acquired by it.

(d) After the Related Person has become a Related Person and prior to the consummation of such Business Combination:

1. There shall have been no failure to declare and pay at the regular date therefor any full periodic dividends, cumulative or not, on any outstanding Preferred Stock of this Corporation;
2. There shall have been no reduction in the annual rate of dividends paid on any class or series of stock of this Corporation that is not Preferred Stock except as necessary to reflect any subdivision of the stock, and no failure to increase the annual rate of dividends as necessary to reflect any reclassification, including any reverse stock split, recapitalization, reorganization, or any similar transaction which has the effect of reducing the number of outstanding shares of the stock; and
3. The Related Person did not become the Beneficial Owner of any additional shares of stock of this Corporation except as part of the transaction which resulted in such Related Person becoming a Related Person or by virtue of proportionate stock splits or stock dividends.

The provisions of clause (1) and (2) immediately preceding shall not apply if no Related Person or an Affiliate or Associate of the Related Person voted as a director of this Corporation in a manner inconsistent with such clauses and the Related Person, within ten days after any act or failure to act inconsistent with such clauses, notifies the Board of Directors of this Corporation in writing that the Related Person disapproves thereof and requests in good faith that the Board of Directors rectify such act or failure to act.

(e) After the Related Person has become a Related Person, the Related Person may not have received the benefit, directly or indirectly, except proportionately as a shareholder, of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by this Corporation or any of its Subsidiaries, whether in anticipation of or in connection with such Business Combination or otherwise.

C. Alternative Shareholder Vote for Business Combinations. In the event the conditions set forth in Subparagraph (B)(1) or (B)(2) have been met, the affirmative vote required of shareholders in order to approve the proposed Business Combination shall be 66-2/3% of the Total Voting Power present or duly represented at the meeting called for such purpose.

D. Definitions. The following terms, for all purposes of these Articles or the By-laws of this Corporation, shall have the following meaning:

(1) An "Affiliate" of, or a person "affiliated with," a specified person means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(2) "Announcement Date" means the first general public announcement of the proposal or intention to make a proposal of the Business Combination or its first communication generally to shareholders of this Corporation, whichever is earlier.

(3) "Associate," when used to indicate a relationship with any person, means any of the following:

(a) Any corporation or organization, other than this Corporation, of which such person is an officer, director or partner or is, directly or indirectly, the Beneficial Owner of 10% or more of any class of Equity Securities.

(b) Any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity.

(c) Any relative or spouse of such person, or any relative of such spouse, who has the same home as such person.

(d) Any investment company registered under the Investment Company Act of 1940 for which such person serves as investment advisor.

(4) A person shall be deemed to be the "Beneficial Owner" of any shares of capital stock (regardless whether owned of record):

(a) Which that person or any of its Affiliates or Associates, directly or indirectly, owns beneficially;

(b) Which such person or any of its Affiliates or Associates has (i) the right to acquire (whether exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding; or

(c) Which are beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of voting capital stock of the corporation or any of its subsidiaries.

(5) "Business Combination" means any of the following transactions, when entered into by the Corporation or a Subsidiary with, or upon a proposal by, a Related Person:

(a) The merger or consolidation of, or an exchange of securities by, the Corporation or any Subsidiary;

(b) The sale, lease, exchange, mortgage, pledge, transfer or any other disposition (in one or a series of transactions) of any assets of the Corporation, or of any Subsidiary, having an aggregate book or fair market value of \$1,000,000 or more, measured at the time the transaction or transactions are approved by the Board of Directors;

(c) The adoption of a plan or proposal for the liquidation or dissolution of the Corporation or any Subsidiary;

(d) The issuance or transfer by the Corporation or any Subsidiary (in one or a series of transactions) of securities of the Corporation, or of any Subsidiary, having a fair market value of \$1,000,000 or more;

(e) The reclassification of securities (including a reverse stock split), recapitalization, consolidation or any other transaction (whether or not involving a Related Person) which has the direct or indirect effect of increasing the voting power (regardless whether then exercisable) or the proportionate amount of the outstanding shares of any class or series of Equity Securities of this Corporation or any of its Subsidiaries of a Related Person, or any Associate or Affiliate of a Related Person;

(f) Any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Corporation or any Subsidiary to an Interested Shareholder or any Affiliate or Associate thereof, except proportionately as a shareholder; or

(g) Any agreement, contract or other arrangement providing directly or indirectly for any of the foregoing.

(6) "Capital Stock" means any Common Stock, Preferred Stock or other capital stock of the Corporation, or any bonds, debentures, or other obligations granted voting rights by the Corporation pursuant to La. R.S. 12:75H.

(7) "Common Stock" means any stock other than a class or series of preferred or preference stock.

(8) "Continuing Director" shall mean any member of the Board of Directors who is not a Related Person or an Affiliate or Associate thereof, and who was a member of the Board of Directors prior to the time that the Related Person became a Related Person, and any successor to a Continuing Director who is not a Related Person or an Affiliate or Associate thereof and was recommended to succeed a Continuing Director by a majority of Continuing Directors who were then members of the Board of Directors, provided that, in the absence of a Related Person, any reference to "Continuing Directors" shall mean all directors then in office.

(9) "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise. The beneficial ownership of 10% or more of the votes entitled to be cast by a corporation's voting stock creates a presumption of control.

(10) "Determination Date" means the date on which a Related Person first became a Related Person.

(11) "Equity Security" means any of the following:

(a) Any stock or similar security, certificate of interest or participation in any profit sharing agreement, voting trust certificate or certificate of deposit for an equity security.

(b) Any security convertible, with or without consideration, into an equity security, or any warrant or other security carrying any right to subscribe to or purchase an equity security.

(c) Any put, call, straddle or other option or privilege of buying an equity security from or selling an equity security to another without being bound to do so.

(12) "Independent Shareholder" or "Independent Stockholder" means a holder of Voting Stock of this Corporation who is not a Related Person.

(13) "Market Value" means the following:

(a) In the case of stock, the highest closing sale price on the date or during the period in question of a share of such stock on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such stock is listed or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock on the date or during the period in question on the National Association of Securities Dealers, Inc., Automated Quotations Systems, or any alternative system then in use, or, if no such quotations are available, the fair market value on the date or during the period in question of a share of such stock as determined by a majority of the Continuing Directors of this Corporation in good faith.

(b) In the case of property other than cash or stock, the fair market value of such property on the date or during the period in question as determined by a majority of the Continuing Directors of this Corporation in good faith.

(14) A "person" shall mean any individual, firm, corporation or other entity, or a group of persons acting or agreeing to act together in the manner set forth in Rule 13d-5 under the Securities Exchange Act of 1934, as in effect on January 1, 1984.

(15) "Related Person" means any person (other than the Corporation, a Subsidiary or any profit sharing, employee stock ownership or other employee benefit plan of the Corporation or any Subsidiary or any trust, trustee of or fiduciary with respect to any such plan acting in such capacity) who (a) is the direct or indirect Beneficial Owner of shares of Capital Stock representing more than 10% of the outstanding Total Voting Power entitled to vote for the election of directors, and any Affiliate or Associate of any such person, or (b) is an Affiliate or Associate of the Corporation and at any time within the two-year period immediately prior to the date in question was the Beneficial Owner, directly or indirectly, of shares of Capital Stock (including two or more classes or series voting together as a single class) representing 10% or more of the outstanding Total Voting Power entitled to vote for the election of directors. For the purpose of determining whether a person is the Beneficial Owner of a percentage, specified in this Article, of the outstanding Total Voting Power, the number of shares of Voting Stock deemed to be outstanding shall include shares deemed owned by that person through application of Article V(D)(3) but shall not include any other shares which may be issuable to any other person.

(16) "Subsidiary" means any corporation of which Voting Stock having a majority of the votes entitled to be cast is owned, directly or indirectly, by this Corporation.

(17) "Total Voting Power," when used in reference to any particular matter properly brought before the shareholders for their consideration and vote, means the total number of votes that holders of Capital Stock are entitled to cast with respect to such matter.

(18) "Valuation Date" means the following:

(a) For a Business Combination voted upon by shareholders, the latter of the date prior to the date of the shareholders' vote and the day 20 days prior to the consummation of the Business Combination; and

(b) For a Business Combination not voted upon by the shareholders, the date of the consummation of the Business Combination.

(19) "Voting Stock" means shares of Capital Stock of the Corporation entitled to vote generally in the election of directors.

E. Benefit of Statute. This Corporation claims and shall have the benefit of the provisions of R.S. 12:133 except that the provisions of R.S. 12:133 shall not apply to any business combination involving an interested shareholder that is an employee benefit plan or related trust of this Corporation.

ARTICLE VI

Shareholders' Meetings

A. Written Consents. Any action required or permitted to be taken at any annual or special meeting of shareholders may be taken only upon the vote of the shareholders, present in person or represented by duly authorized proxy, at an annual or special meeting duly noticed and called, as provided in the Bylaws of the Corporation, and may not be taken by a written consent of the shareholders pursuant to the Business Corporation Law of the State of Louisiana.

B. Special Meetings. Subject to the terms of any outstanding class or series of Preferred Stock that entitles the holders thereof to call special meetings, the holders of a majority of the Total Voting Power of the Corporation shall be required to cause the Secretary of the Corporation to call a special meeting of shareholders pursuant to La. R.S. 12:73B (or any successor provision). Nothing in this Article VI shall limit the power of the President of the Corporation or its Board of Directors to call a special meeting of shareholders.

ARTICLE VII

Limitation of Liability and Indemnification

A. Limitation of Liability. No director or officer of the Corporation shall be liable to the Corporation or to its shareholders for monetary damages for breach of his fiduciary duty as a director or officer, provided that the foregoing provision shall not eliminate or limit the liability of a director or officer for (1) any breach of his duty of loyalty to the Corporation or its shareholders; (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) liability for unlawful distributions of the Corporation's assets to, or redemptions or repurchases of the Corporation's shares from, shareholders of the Corporation, under and to the extent provided in La. R.S. 12:92D; or (4) any transaction from which he derived an improper personal benefit.

B. Authorization of Further Actions. The Board of Directors may (1) cause the Corporation to enter into contracts with its directors and officers providing for the limitation of liability set forth in this Article to the fullest extent permitted by law, (2) adopt By-laws or resolutions, or cause the Corporation to enter into contracts, providing for indemnification of directors and officers of the Corporation and other persons (including but not limited to directors and officers of the Corporation's direct and indirect Subsidiaries) to the fullest extent permitted by law and (3) cause the Corporation to exercise the insurance powers set forth in La. R.S. 12:83F, notwithstanding that some or all of the members of the Board of Directors acting with respect to the foregoing may be parties to such contracts or beneficiaries of such By-laws or resolutions or the exercise of such powers. No repeal or amendment of any such By-laws or resolutions limiting the right to indemnification thereunder shall affect the entitlement of any person to indemnification whose claim thereto results from conduct occurring prior to the date of such repeal or amendment.

C. Subsidiaries. The Board of Directors may cause the Corporation to approve for the officers and directors of its direct and indirect Subsidiaries limitation of liability, indemnification and insurance provisions comparable to the foregoing.

D. Amendment of Article. Notwithstanding any other provisions of these Articles of Incorporation, the affirmative vote of the holders of at least 80% of the Total Voting Power shall be required to amend or repeal this Article VII, and any amendment or repeal of this Article shall not adversely affect any elimination or limitation of liability of a director or officer of the Corporation under this Article with respect to any action or inaction occurring prior to the time of such amendment or repeal.

ARTICLE VIII

Reversion

Except for cash, shares or other property or rights payable or issuable to the holders of Preferred Stock, the rights to which shall be determined under applicable state law, Cash, property or share dividends, shares issuable to shareholders in connection with a reclassification of stock, and the redemption price of redeemed shares, that are not claimed by the shareholders entitled thereto within one year after the dividend or redemption price became payable or the shares became issuable, despite reasonable efforts by the Corporation to pay the dividend or

redemption price or deliver the certificates for the shares to such shareholders within such time, shall, at the expiration of such time, revert in full ownership to the Corporation, and the Corporation's obligation to pay such dividend or redemption price or issue such shares, as the case may be, shall thereupon cease, provided, however, that the Board of Directors may, at any time, for any reason satisfactory to it, but need not, authorize (i) payment of the amount of any cash or property dividend or redemption price or (ii) issuance of any shares, ownership of which has reverted to the Corporation pursuant to this Article, to the person or entity who or which would be entitled thereto had such reversion not occurred.

ARTICLE IX

Amendments

A. Charter Amendments. Articles IV (other than paragraphs F and G), V, VI(A) and IX of these Articles of Incorporation shall not be amended in any manner (whether by modification or repeal of an existing Article or Articles or by addition of a new Article or Articles) except upon resolutions adopted by the affirmative vote of both (i) 80% of the Total Voting Power entitled to be cast by the holders of outstanding shares of Voting Stock, voting together as a single group, and (ii) two-thirds of the Total Voting Power entitled to be cast by the Independent Shareholders present or duly represented at a shareholders' meeting, voting as a separate group; provided, however, that if such resolutions shall first be adopted by both a majority of the directors then in office and a majority of the Continuing Directors, voting as a separate group, then such resolutions shall be deemed adopted by the shareholders upon the affirmative vote of a majority of the Total Voting Power entitled to be cast by the holders of outstanding shares of Voting Stock, voting as a single group.

B. Bylaw Amendments. Bylaws of this Corporation may be altered, amended, or repealed or new Bylaws may be adopted by (i) the shareholders, but only upon the affirmative vote of both 80% of the Total Voting Power entitled to be cast by the holders of outstanding shares of Voting Stock, voting together as a single group, and two-thirds of the Total Voting Power entitled to be cast by the Independent Shareholders present or duly represented at a shareholders' meeting, voting as a separate group, or (ii) the Board of Directors, but only upon the affirmative vote of both a majority of the directors then in office and a majority of the Continuing Directors, voting as a separate group.

These Amended and Restated Articles of Incorporation are dated as of May 23, 1995.

BYLAWS
OF
CENTURY TELEPHONE ENTERPRISES, INC.

(as amended through May 23, 1995)

BYLAWS
CENTURY TELEPHONE ENTERPRISES, INC.

TABLE OF CONTENTS

ARTICLE I - Officers.....	1
Section 1. Required and Permitted Officers.....	1
Section 2. Election and Removal of Officers.....	4
ARTICLE II - Board of Directors.....	4
Section 1. Powers.....	4
Section 2. Organizational and Regular Meetings.....	4
Section 3. Special Meetings.....	4
Section 4. Waiver of Notice.....	5
Section 5. Quorum.....	5
Section 6. Notice of Adjournment.....	5
Section 7. Written Consents	6
Section 8. Voting.....	6
Section 9. Use of Communications Equipment.....	6
Section 10. Indemnification.....	6
Section 11. Certain Qualifications.....	11
ARTICLE III - Committees.....	11
Section 1. Committees.....	11
Section 2. Appointment and Removal of Committee Members....	14
Section 3. Procedures for Committees.....	14
Section 4. Meetings.....	15
Section 5. Authority of Chairman to Appoint Committees....	15
ARTICLE IV - Shareholders' Meetings.....	15
Section 1. Place of Meetings.....	15
Section 2. Annual Meeting.....	15
Section 3. Special Meetings.....	15
Section 4. Notice of Meetings.....	16
Section 5. Notice of Shareholder Nominations and Shareholder Business.....	16
Section 6. Quorum.....	18
Section 7. Voting Power Present or Represented.....	19
Section 8. Voting Requirements.....	19
Section 9. Proxies.....	19
Section 10. Adjournments.....	19
Section 11. Written Consents.....	20
Section 12. List of Shareholders.....	20
Section 13. Procedure at Shareholders Meetings.....	20

ARTICLE V - Certificates of Stock.....	20
ARTICLE VI - Registered Shareholders.....	21
ARTICLE VII - Loss of Certificate.....	21
ARTICLE VIII - Checks.....	21
ARTICLE IX - Dividends.....	21
ARTICLE X - Inapplicability of Louisiana Control Share Statute	22
ARTICLE XI - Certain Definitions.....	22
ARTICLE XII - Amendments.....	22

ARTICLE I**OFFICERS****Section 1. Required and Permitted Officers**

1 Officers. The officers of the Corporation shall be a Chairman of the Board; a Chief Executive Officer; a President; a Secretary; and a Treasurer. The Board may elect such other officers as the Board may determine. An officer need not be a Director and any two or more of the offices may be held by one person, provided, however, that a person holding more than one office may not sign in more than one capacity any certificate or any instrument required to be signed by two officers. The required and permitted officers and duties thereof are as follows:

A. Chairman of the Board (Chairman). The Chairman shall preside at all meetings of the shareholders and Directors, ensure that all orders, policies and resolutions of the Board are carried out and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

B. Vice Chairman. The Board may from time to time elect one or more Vice Chairmen. The Vice Chairman shall serve in the absence or inability of the Chairman to serve. In the event of the death, resignation or permanent inability of the Chairman to serve, the Vice Chairman shall automatically succeed to the office of Chairman until such time as the Board of Directors convenes a properly called meeting to elect a new Chairman. In the event that there is more than one Vice Chairman, then the one who has served in that capacity for the longest period of time shall serve in the absence of the Chairman or assume the office of Chairman as the case may be.

C. Chief Executive Officer (CEO). The CEO shall, subject to the powers of the Chairman, have general and active management of the business of the Corporation. He may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors or the Bylaws. The CEO shall manage the day-to-day affairs of the Corporation and direct the activities of the President - Telephone Group, President - Telecommunications Services, the General Counsel and the Chief Financial Officer. Without limiting the generality of the foregoing, the CEO shall establish the annual salaries of each non-executive officer of the Corporation, unless otherwise directed by the Board, and the annual salaries of each officer of the Corporation's subsidiaries, unless otherwise directed by the respective boards of directors of such subsidiaries.

D. President. The President may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds, and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors, the Chairman, the CEO, or the Bylaws.

E. Executive Vice President(s). The Executive Vice President(s) shall assist the CEO in discharging the duties of that office in any manner requested and perform any other duties as may be prescribed by the CEO, the Board of Directors or the Bylaws.

F. Chief Financial Officer. The Chief Financial Officer shall be the principal financial officer of the Corporation. He shall manage the financial affairs of the Corporation and direct the activities of the Treasurer, Controller and other officers responsible for functional areas within the Finance Group. He shall be responsible for all internal and external financial reporting. He may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds, and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

G. Treasurer. As directed by the Chief Financial Officer, the Treasurer shall have general custody of all the funds and securities of the Corporation. He may sign, with the CEO, President, Chief Financial Officer or such other person or persons as may be designated for the purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation. He shall perform such other duties as may be prescribed from time to time by the Chief Financial Officer or the Bylaws.

H. Controller. As directed by the Chief Financial Officer, the Controller shall be responsible for the development and maintenance of the accounting systems used by the Corporation and its subsidiaries. The Controller shall be authorized to implement policies and procedures to ensure that the Corporation and its subsidiaries maintain internal accounting control systems designed to provide reasonable assurance that the accounting records accurately reflect business transactions and that such transactions are in accordance with management's authorization. Additionally, as directed by the Chief Financial Officer, the Controller shall be responsible for internal and external financial reporting for the Corporation and its subsidiaries.

I. Assistant Treasurer. The Assistant Treasurer shall have such powers and perform such duties as may be assigned by the Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer shall perform the duties and exercise the powers of the Treasurer.

J. Secretary. The Secretary shall keep the minutes of all meetings of the shareholders, the Board of Directors and all committees. He shall cause notice to be given of meetings of shareholders, of the Board of Directors and of any committee appointed by the Board. He shall have custody of the corporate seal and general charge of the records, documents and papers of the Corporation not pertaining to the duties vested in other

officers, which shall at all reasonable times be open to the examination of any Director. He may sign or execute contracts with any other officer thereunto authorized in the name of the Corporation and affix the seal of Corporation thereto. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or the Bylaws.

K. Assistant Secretary. The Assistant Secretary shall have powers and perform such duties as may be assigned by the Secretary. In the absence or disability of the Secretary, the Assistant Secretary shall perform the duties and exercise the power of the Secretary.

L. President - Telecommunications Services. The President

- Telecommunications Services shall serve as President of all cellular subsidiaries and such other subsidiaries of the Corporation as he is from time to time elected President by the Board of Directors thereof. Subject to any limitation in these Bylaws or the Bylaws of any such subsidiaries, he shall be responsible for all operations, marketing, construction, preparation of budgets and business plans, and the profitability of all of the operations of the companies under his supervision.

M. President - Telephone Group. The President - Telephone Group shall serve as President of all operating telephone subsidiaries and subsidiaries operating in conjunction therewith. Subject to any limitations in these Bylaws or the Bylaws of any such subsidiaries, he shall be responsible for all operations, marketing, construction, preparation of budgets and business plans, and the profitability of all of the operations of the companies under his supervision.

N. General Counsel. The General Counsel shall be directly responsible for advising the Board of Directors, the Corporation, and all its officers and employees in all matters affecting the legal affairs of the Corporation. He shall determine the need for and, if necessary, select outside counsel to represent the Corporation and approve all fees in connection with their representation. He shall also have such other powers, duties and authority as may be prescribed to him from time to time by the CEO, the Board of Directors, or the Bylaws.

O. Senior Vice President(s). The Senior Vice President(s) shall perform such duties as may be prescribed from time to time by the Board of Directors, the CEO, or the Bylaws.

P. Vice President(s). The Vice President(s) shall have such powers and perform such duties as may be assigned to them by the Board of Directors, the CEO, the President, or the Executive Vice President or Senior Vice President to whom they report. A Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

Q. Assistant Vice President(s). The Assistant Vice President(s) shall have such powers and perform such duties as may be assigned to them by the Board of Directors, the CEO, the President or the officer to whom they report. An Assistant Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

1.2Executive Officer Group. The Executive Officer Group shall be the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President - Telecommunications Services, the President - Telephone Group, and the General Counsel.

Section 2. Election and Removal of Officers

2.1Election. The officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of the shareholders and, at any time, the Board may remove any officer (with or without cause, and regardless of any contractual obligation to such officer) and fill a vacancy in any office, but any election to, removal from or appointment to fill a vacancy in any office, and the determination of the terms of employment thereof, shall require the affirmative votes of (a) a majority of the Directors then in office and (b) a majority of the Continuing Directors, voting as a separate group.

2.2Removal. In addition, the Chief Executive Officer is empowered in his sole discretion to remove or suspend any officer or other employee of the Corporation who (a) fails to respond satisfactorily to the Corporation respecting any inquiry by the Corporation for information to enable it to make any certification required by the Federal Communications Commission under the Anti-Drug Abuse Act of 1988, (b) is arrested or convicted of any offense concerning the distribution or possession of, or trafficking in, drugs or other controlled substances, or (c) the Chief Executive Officer believes to have been engaged in actions that could lead to such an arrest or conviction.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers

In addition to the powers and authorities by these Bylaws expressly conferred upon it, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws required to be exercised or done by the shareholders.

Section 2. Organizational and Regular Meetings

The Board of Directors shall hold an annual organizational meeting, without notice, immediately following the adjournment of the annual meeting of the shareholders and shall hold a regular meeting on the first Tuesday after the twentieth day in the months of February, May, August and November of each year. The Secretary shall give not less than five days' written notice to each Director of all regular meetings, which notice shall state the time and place of the meeting.

Section 3. Special Meetings

3.1 Call of Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or, if he is absent or unable or unwilling to act, by the President. Upon the written request of any two Directors delivered to the Chairman of the Board, the President or the Secretary of the Corporation, a special meeting shall be called.

3.2 Notice. Written notice of the time and place of special meetings shall be delivered personally to the Directors or sent to each Director by letter or by telegram, charges prepaid, addressed to him at his address shown in the Corporation's records. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail at least 72 hours prior to the meeting or delivered to an overnight mail delivery service or to the telegraph company in the place in which the principal office of the corporation is located at least 48 hours prior to the meeting. In case such notice is personally delivered as above provided, it shall be so delivered at least 24 hours prior to the meeting. The foregoing notwithstanding, if the Chairman or the President shall determine, in his sole discretion, that the subject of the special meeting is urgent and must be considered by the Board without delay, notice may be given by personal delivery or by telephone not less than 12 hours prior to the time set for the meeting, provided a confirming telegram or overnight letter is sent to the Director contemporaneously. Such mailing, telegraphing, telephoning or personal delivery as above provided shall be due, legal and personal notice to such Director.

Section 4. Waiver of Notice

Any Director may waive notice of a meeting by written waiver executed either before or after the meeting. Directors present at any regular or special meeting shall be deemed to have received due, or to have waived, notice thereof, provided that a director who participates in a meeting by telephone shall not be deemed to have received or waived due notice if, at the beginning of the meeting, he objects to the transaction of any business because the meeting is not lawfully called.

Section 5. Quorum

A majority of the authorized number of Directors as fixed by or pursuant to the Articles of Incorporation shall be necessary to constitute a quorum for the transaction of business, provided, however, that a minority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business. If a quorum is present when the meeting convened, the directors present may continue to do business, taking action by vote of a majority of a quorum, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum or the refusal of any director present to vote.

Section 6. Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned.

Section 7. Written Consents

Anything to the contrary contained in these Bylaws notwithstanding, any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors at a meeting.

Section 8. Voting

At all meetings of the Board, each Director present shall have one vote. At all meetings of the Board, all questions, the manner of deciding which is not otherwise specifically regulated by law, the Articles of Incorporation or these Bylaws, shall be determined by a majority of the Directors present at the meeting, provided, however, that any shares of other corporations owned by the Corporation shall be voted only pursuant to resolutions duly adopted upon the affirmative votes of (a) 80% of the Directors then in office and (b) a majority of the Continuing Directors, voting as a separate group.

Section 9. Use of Communications Equipment

Meetings of the Board of Directors may be held by means of telephone conference calls or similar communications equipment provided that all persons participating in the meeting can hear and communicate with each other.

Section 10. Indemnification

10.1 Definitions. As used in this Section:

(a) The term "Expenses" shall mean any expenses or costs (including, without limitation, attorney's fees, judgments, punitive or exemplary damages, fines and amounts paid in settlement). If any of the foregoing amounts paid on behalf of Indemnitee are not deductible by Indemnitee for federal or state income tax purposes, the Corporation will reimburse Indemnitee for tax liability with respect thereto by paying to Indemnitee an amount which, after taking into account taxes on such amount, equals Indemnitee's incremental tax liability.

(b) The term "Claim" shall mean any threatened, pending or completed claim, action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether made judicially or extra-judicially, or any separate issue or matter therein, as the context requires.

(c) The term "Determining Body" shall mean (i) those members of the Board of Directors who are not named as parties to the Claim for which indemnification is being sought ("Impartial Directors"), if there are at least three Impartial Directors, or
(ii) a committee of at least three directors appointed by the Board of Directors (regardless of whether the members of the Board of Directors voting on such appointment are Impartial Directors) and composed of Impartial Directors or (iii) if there are fewer than three Impartial Directors or if the Board of Directors or a committee appointed thereby so directs (regardless of whether the members thereof are Impartial Directors), independent legal counsel, which may be the regular outside counsel of the Corporation.

(d) The term "Indemnitee" shall mean each director and officer and each former director and officer of the Corporation.

10.2 Indemnity. (a) To the extent any Expenses incurred by Indemnitee are in excess of the amounts reimbursed or indemnified pursuant to policies of liability insurance maintained by the Corporation, the Corporation shall indemnify and hold harmless Indemnitee against any such Expenses actually and reasonably incurred in connection with any Claim against Indemnitee (whether as a subject of or party to, or a proposed or threatened subject of or party to, the Claim) or in which Indemnitee is involved solely as a witness or person required to give evidence, by reason of his position (i) as a director or officer of the Corporation, (ii) as a director or officer of any subsidiary of the Corporation or as a fiduciary with respect to any employee benefit plan of the Corporation, or (iii) as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other for-profit or not-for-profit entity or enterprise, if such position is or was held at the request of the Corporation, whether relating to service in such position before or after the effective date of this Section 10, if (i) the Indemnitee is successful in his defense of the Claim on the merits or otherwise or (ii) the Indemnitee has been found by the Determining Body (acting in good faith) to have met the Standard of Conduct; provided that (a) the amount of Expenses for which the Corporation shall indemnify Indemnitee may be reduced by the Determining Body to such amount as it deems proper if it determines in good faith that the Claim involved the receipt of a personal benefit by Indemnitee and (b) no indemnification shall be made in respect of any Claim as to which Indemnitee shall have been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for willful or intentional misconduct in the performance of his duty to the Corporation or to have obtained an improper benefit, unless, and only to the extent that, a court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as the court shall deem proper; and provided further that, if the Claim involves Indemnitee by reason of his position with an entity or enterprise described in clause (ii) or (iii) of this Section 10.2(a) and if Indemnitee may be entitled to indemnification with respect to such Claim from such entity or enterprise, Indemnitee shall be entitled to indemnification hereunder only (x) if he has applied to such entity or enterprise for indemnification with respect to the Claim and (y) to the extent that indemnification to which he would be entitled hereunder but for this proviso exceeds the indemnification paid by such other entity or enterprise.

(b) For purposes of this Section, the Standard of Conduct is met when conduct by an Indemnitee with respect to which a Claim is asserted was conduct that he reasonably believed to be in, or not opposed to, the best interest of the Corporation, and, in the case of a Claim which is a criminal action or proceeding, conduct that the Indemnitee had no reasonable cause to believe was unlawful. The termination of any Claim by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not meet the Standard of Conduct.

(c) Promptly upon becoming aware of the existence of any Claim, Indemnitee shall notify the Chief Executive Officer of the existence of the Claim, who shall promptly advise the members of the Board of Directors thereof and that establishing the Determining Body will be a matter presented at the next regularly scheduled meeting of the Board of Directors. After the Determining Body has been established the Chief Executive Officer shall inform Indemnitee thereof and Indemnitee shall immediately notify the Determining Body of all facts relevant to the Claim known to such Indemnitee. Within 60 days of the receipt of such notice and information, together with such additional information as the Determining Body may request of Indemnitee, the Determining Body shall report to Indemnitee of its determination whether Indemnitee has met the Standard of Conduct. The Determining Body may extend the period of time for determining whether the Standard of Conduct has been met, but in no event shall such period of time be extended beyond an additional 60 days.

(d) If, after determining that the Standard of Conduct has been met, the Determining Body obtains facts of which it was not aware at the time it made such determination, the Determining Body on its own motion, after notifying the Indemnitee and providing him an opportunity to be heard, may, on the basis of such facts, revoke such determination, provided that, in the absence of actual fraud by Indemnitee, no such revocation may be made later than 30 days after final disposition of the Claim.

(e) Indemnitee shall promptly inform the Determining Body upon his becoming aware of any relevant facts not theretofore provided by him to the Determining Body, unless the Determining Body has obtained such facts by other means.

(f) In the case of any Claim not involving a proposed, threatened or pending criminal proceeding (i) if Indemnitee has, in the good faith

judgment of the Determining Body, met the Standard of Conduct, the Corporation may, in its sole discretion, assume all responsibility for the defense of the Claim, and, in any event, the Corporation and Indemnatee each shall keep the other informed as to the progress of the defense of the Claim, including prompt disclosure of any proposals for settlement; provided that if the Corporation is a party to the Claim and Indemnatee reasonably determines that there is a conflict between the positions of the Corporation and Indemnatee with respect to the Claim, then Indemnatee shall be entitled to conduct his defense with counsel of his choice; and provided further that Indemnatee shall in any event be entitled at his expense to employ counsel chosen by him to participate in the defense of the Claim; and (ii) the Corporation shall fairly consider any proposals by Indemnatee for settlement of the Claim. If the Corporation proposes a settlement of the Claim and such settlement is acceptable to the person asserting the Claim or the Corporation believes a settlement proposed by the person asserting the Claim should be accepted, it shall inform Indemnatee of the terms of such proposed settlement and shall fix a reasonable date by which Indemnatee shall respond. If Indemnatee agrees to such terms, he shall execute such documents as shall be necessary to make final the settlement. If Indemnatee does not agree with such terms, Indemnatee may proceed with the defense of the Claim in any manner he chooses, provided that if Indemnatee is not successful on the merits or otherwise, the Corporation's obligation to indemnify such Indemnatee as to any Expenses incurred by following his disagreement shall be limited to the lesser of (A) the total Expenses incurred by Indemnatee following his decision not to agree to such proposed settlement or (B) the amount that the Corporation would have paid pursuant to the terms of the proposed settlement. If, however, the proposed settlement would impose upon Indemnatee any requirement to act or refrain from acting that would materially interfere with the conduct of Indemnatee's affairs, Indemnatee shall be permitted to refuse such settlement and proceed with the defense of the Claim, if he so desires, at the Corporation's expense in accordance with the terms and conditions of these Bylaws without regard to the limitations imposed by the immediately preceding sentence. In any event, the Corporation shall not be obligated to indemnify Indemnatee for an amount paid in settlement that the Corporation has not approved.

(g) In the case of a Claim involving a proposed, threatened or pending criminal proceeding, Indemnatee shall be entitled to conduct the defense of the Claim and to make all decisions with respect thereto, with counsel of his choice; provided that the Corporation shall not be obligated to indemnify Indemnatee for an amount paid in settlement that the Corporation has not approved.

(h) After notification to the Corporation of the existence of a Claim, Indemnatee may from time to time request of the Chief Executive Officer or, if the Chief Executive Officer is a party to the Claim as to which indemnification is being sought, any officer who is not a party to the Claim and who is designated by the Chief Executive Officer (the "Disbursing Officer"), which designation shall be made promptly after receipt of the initial request, that the Corporation advance to Indemnatee the Expenses (other than fines, penalties, judgments or amounts paid in settlement) that he incurs in pursuing a defense of the Claim prior to the time that the Determining Body determines whether the Standard of Conduct has been met. The Disbursing Officer shall pay to Indemnatee the amount requested (regardless of Indemnatee's apparent ability to repay the funds) upon receipt of an undertaking by or on behalf of Indemnatee to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation under the circumstances, provided that if the Disbursing Officer does not believe such amount to be reasonable, he shall advance the amount deemed by him to be reasonable and Indemnatee may apply directly to the Determining Body for the remainder of the amount requested.

(i) After a determination that the Standard of Conduct has been met, for so long as and to the extent that the Corporation is required to indemnify Indemnatee under these Bylaws, the provisions of Paragraph (h) shall continue to apply with respect to Expenses incurred after such time except that (i) no undertaking shall be required of Indemnatee and (ii) the Disbursing Officer shall pay to Indemnatee the amount of any fines, penalties or judgments against him which have become final for which the Corporation is obligated to indemnify him or any amount of indemnification ordered to be paid to him by a court.

(j) Any determination by the Corporation with respect to settlement of a Claim shall be made by the Determining Body.

(k) The Corporation and Indemnatee shall keep confidential to the extent permitted by law and their fiduciary obligations all facts and determinations provided pursuant to or arising out of the operation of these Bylaws and the Corporation and Indemnatee shall instruct its or his agents and employees to do likewise.

10.3 Enforcement. (a) The rights provided by this Section shall be enforceable by Indemnatee in any court of competent jurisdiction.

(b) If Indemnatee seeks a judicial adjudication of his rights under this Section, Indemnatee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any and all Expenses actually and reasonably incurred by him in connection with such proceeding, but only if he prevails therein. If it shall be determined that Indemnatee is entitled to receive part but not all of the relief sought, then Indemnatee shall be entitled to be reimbursed for all Expenses incurred by him in connection with such proceeding if the indemnification amount to which he is determined to be entitled exceeds 50% of the amount of his claim. Otherwise, the Expenses sought incurred by Indemnatee in connection with such judicial adjudication shall be appropriately prorated.

(c) In any judicial proceeding described in this subsection, the Corporation shall bear the burden of proving that Indemnatee is not entitled to Expenses sought with respect to any Claim.

10.4 Saving Clause. If any provision of this Section is determined by a court having jurisdiction over the matter to require the Corporation to do or refrain from doing any act that is in violation of applicable law, the court shall be empowered to modify or reform such provision so that, as modified or reformed, such provision provides the maximum indemnification permitted by law and such provision, as so modified or reformed, and the balance of this Section, shall be applied in accordance with their terms. Without limiting the generality of the foregoing, if any portion of this Section shall be invalidated on any ground, the Corporation shall nevertheless indemnify and Indemnatee to the full extent permitted by any applicable portion of this Section that shall not have been invalidated and to the full extent permitted by law with respect to

that portion that has been invalidated.

10.5 Non-Exclusivity. (a) The indemnification and payment of Expenses provided by or granted pursuant to this Section shall not be deemed exclusive of any other rights to which Indemnitee is or may become entitled under any statute, article of incorporation, by-law, authorization of shareholders or directors, agreement or otherwise.

(b) It is the intent of the Corporation by this Section to indemnify and hold harmless Indemnitee to the fullest extent permitted by law, so that if applicable law would permit the Corporation to provide broader indemnification rights than are currently permitted, the Corporation shall indemnify and hold harmless Indemnitee to the fullest extent permitted by applicable law notwithstanding that the other terms of this Section would provide for lesser indemnification.

10.6 Successors and Assigns. This Section shall be binding upon the Corporation, its successors and assigns, and shall inure to the benefit of Indemnitee's heirs, personal representatives, and assigns and to the benefit of the Corporation, its successors and assigns.

10.7 Indemnification of Other Persons. The Corporation may indemnify any person not a director or officer of the Corporation to the extent authorized by the Board of Directors or a committee of the Board expressly authorized by the Board of Directors.

Section 11. Certain Qualifications

No person shall be eligible for nomination, election or service as a director of the Corporation who shall (i) in the opinion of the Board of Directors fail to respond satisfactorily to the Corporation respecting any inquiry of the Corporation for information to enable the Corporation to make any certification required by the Federal Communications Commission under the Anti-Drug Abuse Act of 1988 or to determine the eligibility of such persons under this section; (ii) have been arrested or convicted of any offense concerning the distribution or possession of, or trafficking in, drugs or other controlled substances, provided that in the case of an arrest the Board of Directors may in its discretion determine that notwithstanding such arrest such persons shall remain eligible under this Section; or (iii) have engaged in actions that could lead to such an arrest or conviction and that the Board of Directors determines would make it unwise for such person to serve as a director of the Corporation. Any person serving as a director of the Corporation shall automatically cease to be a director on such date as he ceases to have the qualifications set forth in this Section, and his position shall be considered vacant within the meaning of the Articles of Incorporation of the Corporation.

ARTICLE III

COMMITTEES

Section 1. Committees

1.1 Standing Committees. The Board of Directors shall have six standing committees, the names, functions and powers of each of which shall be as follows:

A. The Executive Committee shall consist of not less than three Directors, one of whom shall be the Chairman of the Board, who shall also serve as chairman of the Executive Committee. To the full extent permitted by law and the Articles of Incorporation, the Executive Committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Corporation when the Board is not in session.

B. The Compensation Committee shall consist of two or more Directors (the exact number of which shall be set from time to time by the Board), each of whom shall (i) be a "disinterested person" as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) not serve, and shall not have served in the past, as an officer or employee of the Corporation or any of its subsidiaries. The Compensation Committee is empowered to:

1. after receiving and considering the recommendations of the Chief Executive Officer, determine from time to time the salary of the Corporation's executive officers (as defined in Section 1.2 of Article I of these Bylaws) and the fees of the Corporation's directors;
2. administer each of the Corporation's incentive compensation plans and stock-based plans (including its 1983 Restricted Stock Plan, Key Employee Incentive Compensation Plan, 1988 Incentive Compensation Program, 1990 Incentive Compensation Program, 1995 Incentive Compensation Plan and any successor plans), and exercise all powers provided for in such plans;
3. approve any (i) proposed plan or arrangement offering or providing any benefits to one or more of the Corporation's executive officers or directors (other than any plan or arrangement offering benefits that do not discriminate in scope, terms or operation in favor of executive officers or directors and that are generally available to all salaried employees) and (ii) proposed amendment or change to any such plan or arrangement;

4. approve any (i) proposed employment or severance contract between the Corporation and an executive officer or proposed executive officer thereof and
(ii) proposed extension or material amendment thereto;

5. issue executive compensation reports to the Corporation's shareholders in the manner required under the rules and regulations of the U.S.

Securities and Exchange Commission;

6. retain independent consultants and legal advisors who will report directly to the Compensation Committee and be paid with funds of the Corporation; and

7. if requested by the Board, (i) review, determine or approve the compensation of any non-executive officer of the Corporation or any officer of the Corporation's subsidiaries, (ii) review, determine or approve any proposed amendments, contributions or changes to any of the Corporation's employee benefit plans, welfare plans, insurance or other benefit arrangements that are not directly administered or monitored by the Compensation Committee pursuant to the powers granted in paragraphs 2 and 3 above, and (iii) perform such other services as may be delegated to it by the Board.

No action of the type described in paragraphs 1 - 6 shall be valid unless it has been approved by the Compensation Committee. All actions of the Compensation Committee shall be subject to ratification by the full Board of Directors unless the Compensation Committee reasonably determines that submitting a matter to the full Board of Directors for ratification would be prohibited by, or contrary to the intents and purposes of, any laws, rules, or regulations that require or contemplate that such matter be authorized by independent directors.

C. The Nominating Committee shall consist of two or more Directors and shall perform the following functions:

1. To consider and recommend to the Board nominees for election by shareholders or for appointment by the remaining Directors to fill vacancies on the Board;

2. To review and consider the performance of and to recommend the appointment or reappointment of officers of the Corporation.

D. The Audit Committee shall consist of two or more Directors, none of whom shall otherwise be employed by the Corporation, and shall have the following responsibilities:

1. To recommend to the Board the engagement or discharge of the Corporation's independent auditor of its financial statements;

2. To direct and supervise all investigations into matters relating to or rising from the performance and results of each independent audit;

3. To review with the Corporation's independent auditor the plan and results of each independent audit engagement;

4. To review the scope, adequacy and results of the Corporation's internal auditing procedures;

5. To review and to approve or disapprove each service to be performed for the Corporation by the independent auditor before such service is performed; except that the Committee is authorized to permit the President or the Chief Financial Officer to engage the independent auditor or perform any category of service specified by the Committee under circumstances deemed appropriate by the Audit Committee;

6. To review the degree of independence of the independent auditor;

7. To consider the range of audit and non-audit fees; and

8. To review the adequacy of the Corporation's system of internal accounting controls.

E. The Insurance Evaluation Committee shall consist of two or more Directors, and shall have the following responsibilities:

1. To review periodically the Corporation's insurance programs and to advise and recommend any action deemed appropriate with respect thereto; and

2. To review periodically the Corporation's insurance needs and to advise and recommend any action deemed appropriate with respect thereto.

F. The Shareholder Relations Committee shall consist of three or more non-officer directors and shall have the authority of the Board of Directors with respect to investigating, inquiring into and considering issues related to certain shareholders' interest and rights and considering and acting upon shareholder matters as assigned, from time to time, by the Chairman of the Board.

1.2 Special Purpose Committees. The Board may authorize on an ad hoc basis special pricing committees in connection with the issuance of securities or such other special purpose committees as may be necessary or appropriate in connection with the Board's management of the business and affairs of the Corporation.

Section 2. Appointment and Removal of Committee Members

Subject to Section 5 below, Directors shall be appointed to or removed from a committee only upon the affirmative votes of:

1. A majority of the Directors then in office; and
2. A majority of the Continuing Directors, voting as a separate group.

Each member of a committee shall hold office during the term designated by the Board.

Section 3. Procedures for Committees

Each committee shall keep written minutes of its meetings. All action taken by a committee shall be reported to the Board of Directors at its next meeting, whether regular or special. Failure to keep written minutes or to make such a report shall not affect the validity of action taken by a committee. Each committee shall adopt such regulations (not inconsistent with the Articles of Incorporation, these Bylaws or any regulations specified for such committee by the Board of Directors) as it shall deem necessary for the proper conduct of its functions and the performance of its responsibilities.

Section 4. Meetings

A majority of the members of any committee shall constitute a quorum and action by a majority (or by any super majority required by law, the Articles of Incorporation, these Bylaws or any applicable resolution adopted by the Board of Directors) of a quorum at any meeting of a committee shall be deemed action by the committee. The committee may also take action without meeting if all members thereof consent in writing thereto. Meetings of a committee may be held by telephone conference calls or other communications equipment provided each person participating may hear and be heard by all other meeting participants.

Section 5. Authority of Chairman to Appoint Committees

Whenever the Board of Directors is not in session, the Chairman may fill vacancies in any committees and may create such new committees as he deems necessary or useful and appoint Directors as members thereof. Any such action by the Chairman, and any action taken by such new committee, shall be subject to ratification or disapproval by the Board at its next meeting.

ARTICLE IV

SHAREHOLDERS' MEETINGS

Section 1. Place of Meetings

Unless otherwise required by law or these By-laws, all meetings of the shareholders shall be held at the principal office of the Corporation or at such other place, within or without the State of Louisiana, as may be designated by the Board of Directors.

Section 2. Annual Meeting

An annual meeting of the shareholders shall be held on the date and at the time as the Board of Directors shall designate for the purpose of electing directors and for the transaction of such other business as may be properly brought before the meeting. If no annual shareholders' meeting is held for a period of 18 months, any shareholder may call such meeting to be held at the registered office of the Corporation as shown on the records of the Secretary of State of the State of Louisiana.

Section 3. Special Meetings

Special meetings of the shareholders, for any purpose or purposes, may be called by the Chairman of the Board, the President or the Board of Directors. Subject to the terms of any outstanding class or series of Preferred Stock that entitles the holders thereof to call special meetings, the holders of a majority of the Total Voting Power shall be required to cause the Secretary of the Corporation to call a special meeting of shareholders pursuant to La. R.S. 12:73B (or any successor provision). Such requests of shareholders must state the specific purpose or purposes of the proposed special meeting, and the business to be brought before such meeting by the shareholders shall be limited to such purpose or purposes.

Section 4. Notice of Meetings

Except as otherwise provided by law, the authorized person or persons calling a shareholders' meeting shall cause written notice of the time and place of the meeting to be given to all shareholders of record entitled to vote at such meeting at least 10 days and not more than 60 days prior to the day fixed for the meeting. Notice of the annual meeting need not state the purpose or purposes thereof, unless action is to be taken at the meeting as to which notice is required by law, the Articles of Incorporation or the Bylaws. Notice of a special meeting shall state the purpose or purposes thereof. Any previously scheduled meeting of the shareholders may be postponed, and (unless provided otherwise by law or the Articles of Incorporation) any special meeting of the shareholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of shareholders.

Section 5. Notice of Shareholder Nominations and Shareholder Business

5.1 Business Brought Before Meetings. At any meeting of the shareholders, only such business shall be conducted as shall have been properly brought before the meeting. Nominations for the election of directors at a meeting at which directors are to be elected may be made by or at the direction of the Board of Directors, or a committee duly appointed thereby, or by any shareholder of record entitled to vote generally for the election of directors who complies with the procedures set forth below. Other matters to be properly brought before a meeting of the shareholders must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, including matters covered by Rule 14a-8 of the Securities and Exchange Commission, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by any shareholder of record entitled to vote at such meeting who complies with the procedures set forth below.

5.2 Required Notice. A notice of the intent of a shareholder to make a nomination or to bring any other matter before the meeting shall be made in writing and received by the Secretary of the Corporation not more than 210 days and not less than 70 days in advance of the first anniversary of the preceding year's annual meeting of shareholders or, in the event of a special meeting of shareholders or an annual meeting scheduled to be held either 30 days earlier or later than such anniversary date, such notice shall be received by the Secretary of the Corporation within 15 days of the earlier of the date on which notice of such meeting is first mailed to shareholders or public disclosure of the meeting date is made. In no event shall the public announcement of an adjournment of a shareholders' meeting commence a new time period for the giving of a shareholder's notice as described above.

5.3 Contents of Notice. Every such notice by a shareholder shall set forth:

(a) the name, age, business address and residential address of the shareholder of record who intends to make a nomination or bring up any other matter, and any beneficial owner or other person acting in concert with such shareholder;

(b) a representation that the shareholder is a holder of record of shares of the Corporation's capital stock that accord such shareholder the voting rights specified in paragraph 5.1 above and that the shareholder intends to appear in person at the meeting to make the nomination or bring up the matter specified in the notice;

(c) with respect to notice of an intent to make a nomination, a description of all agreements, arrangements or understandings among the shareholder, any person acting in concert with the shareholder, each proposed nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder;

(d) with respect to notice of an intent to make a nomination, (i) the name, age, business address and residential address of each person proposed for nomination, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of capital stock of the Corporation of which such person is the beneficial owner, and (iv) any other information relating to such person that would be required to be disclosed in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had such nominee been nominated by the Board of Directors; and

(e) with respect to notice of an intent to bring up any other matter, a complete and accurate description of the matter, the reasons for conducting such business at the meeting, and any material interest in the matter of the shareholder and the beneficial owner, if any, on whose behalf the proposal is made.

5.4 Other Required Information. Notice of an intent to make a nomination shall be accompanied by the written consent of each nominee to serve as a director of the Corporation if so elected and an affidavit of each such nominee certifying that he meets the qualifications specified in Section 11 of Article II of these Bylaws. The Corporation may require any proposed nominee to furnish such other information or certifications as may be reasonably required by the Corporation to determine the eligibility and qualifications of such person to serve as a director.

5.5 Disqualification of Certain Proposals. With respect to any proposal by a shareholder to bring before a meeting any matter other than the nomination of directors, the following shall govern:

(a) If the Secretary of the Corporation has received sufficient notice of a proposal that may properly be brought before the meeting, a proposal sufficient notice of which is subsequently received by the Secretary and that is substantially duplicative of the first proposal shall not be properly brought before the meeting. If in the judgment of the Board of Directors a proposal deals with substantially the same subject matter as a prior proposal submitted to shareholders at a meeting held within the preceding five years, it shall not be properly brought before any meeting held within three years after the latest such previous submission if (i) the proposal was submitted at only one meeting during such preceding period and it received affirmative votes representing less than 3% of the total number of votes cast in regard thereto, (ii) the proposal was

submitted at only two meetings during such preceding period and it received at the time of its second submission affirmative votes representing less than 6% of the total number of votes cast in regard thereto, or (iii) the proposal was submitted at three or more meetings during such preceding period and it received at the time of its latest submission affirmative votes representing less than 10% of the total number of votes cast in regard thereto.

(b) Notwithstanding compliance with all of the procedures set forth above in this Section, no proposal shall be deemed to be properly brought before a meeting of shareholders if, in the judgment of the Board, it is not a proper subject for action by shareholders under Louisiana law.

5.6 Power to Disregard Proposals. At the meeting of shareholders, the chairman shall declare out of order and disregard any nomination or other matter not presented in accordance with the foregoing procedures or which is otherwise contrary to the foregoing terms and conditions.

5.7 Rights of Shareholders Under Federal Proxy Rules. Nothing in this Section shall be deemed to modify any rights or obligations of shareholders with respect to requesting inclusion of proposals in the Corporation's proxy statement or soliciting their own proxies pursuant to the proxy rules of the Securities and Exchange Commission.

5.8 Rights of Preferred Shareholders. Nothing in this Section shall be deemed to modify any rights of holders of any outstanding class or series of Preferred Stock to elect directors or bring other matters before a shareholders' meeting in the manner specified by the terms and conditions governing such stock.

Section 6. Quorum

6.1 Establishment of Quorum. At all meetings of shareholders, the holders of a majority of the Total Voting Power shall constitute a quorum to organize the meeting, provided, however, that at any meeting the notice of which sets forth any matter that, by law or the Articles of Incorporation, must be approved by the affirmative vote of the holders of a specified percentage in excess of a majority of the Total Voting Power present or represented at the shareholders' meeting, the holders of that specified percentage shall constitute a quorum, and further provided that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the voting power of such class or series shall constitute a quorum of such class or series for the transaction of such business. Shares of Voting Stock as to which the holders have voted or abstained from voting with respect to any matter considered at a meeting, or which are subject to Non-Votes (as defined in Section 6.3 below), shall be counted as present for purposes of constituting a quorum to organize a meeting.

6.2 Withdrawal. If a quorum is present or represented at a duly organized meeting, such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, or the refusal of any shareholders present to vote.

6.3 Non-Votes. As used in these Bylaws, "Non-Votes" shall mean the number of votes as to which the record holder or proxy holder of shares of Capital Stock has been precluded from voting thereon (whether by law, regulations of the Securities and Exchange Commission, rules or bylaws of any national securities exchange or other self-regulatory organization, or otherwise), including without limitation votes as to which brokers may not or do not exercise discretionary voting power under the rules of the New York Stock Exchange with respect to any matter for which the broker has not received voting instructions from the beneficial owner of the voting shares.

Section 7. Voting Power Present or Represented

For purposes of determining the amount of Total Voting Power present or represented at any annual or special meeting of shareholders with respect to voting on any particular matter, shares as to which the holders have abstained from voting, and shares which are subject to Non-Votes (as defined in Section 6.3), will be treated as not present and not cast.

Section 8. Voting Requirements

When a quorum is present at any meeting, the vote of the holders of a majority of the Total Voting Power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of law or the Articles of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question. Directors shall be elected by plurality vote.

Section 9. Proxies

At any meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such shareholder and bearing a date not more than 11 months prior to the meeting, unless the instrument provides for a longer period, but in no case will an outstanding proxy be valid for longer than three years from the date of its execution. The person appointed as proxy need not be a shareholder of the Corporation.

Section 10. Adjournments

10.1 Adjournments of Meetings. Adjournments of any annual or special meeting of shareholders may be taken without new notice being given

unless a new record date is fixed for the adjourned meeting, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors shall have been elected.

10.2Lack of Quorum. If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine, subject, however, to the provisions of Section 10.1 hereof. In the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in Section 6.1 hereof, shall nevertheless constitute a quorum for the purpose of electing directors.

Section 11. Written Consents

Any action required or permitted to be taken at any annual or special meeting of shareholders may be taken only upon the vote of the shareholders, present in person or represented by duly authorized proxy, at an annual or special meeting duly noticed and called, as provided in these Bylaws, and may not be taken by a written consent of the shareholders pursuant to the Business Corporation Law of the State of Louisiana.

Section 12. List of Shareholders

At every meeting of shareholders, a list of shareholders entitled to vote, arranged alphabetically and certified by the Secretary or by the agent of the Corporation having charge of transfers of shares, showing the number and class of shares held by each shareholder on the record date for the meeting, shall be produced on the request of any shareholder.

Section 13. Procedure at Shareholders' Meetings

The Chairman of the Board, or in his absence, the Vice Chairman, shall preside as chairman at all shareholders' meetings. The organization of each shareholders' meeting and all matters relating to the manner of conducting the meeting shall be determined by the chairman, including the order of business, the conduct of discussion and the manner of voting. Meetings shall be conducted in a manner designed to accomplish the business of the meeting in a prompt and orderly fashion and to be fair and equitable to all shareholders, but it shall not be necessary to follow Roberts' Rules of Order or any other manual of parliamentary procedure.

ARTICLE V

CERTIFICATES OF STOCK

Certificates of stock issued by the Corporation shall be numbered and shall be entered into the books of the Corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the President or any Vice-President and by the Treasurer, Secretary or any Assistant Secretary, all in the manner required by law.

ARTICLE VI

REGISTERED SHAREHOLDERS

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any beneficial, equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of Louisiana.

ARTICLE VII

LOSS OF CERTIFICATE

Any person claiming a certificate of stock to be lost or destroyed shall make an affidavit or affirmation of that fact, and the Board of Directors, the General Counsel or the Secretary may, in his or its discretion, require the owner of the lost or destroyed certificate or his legal representative, to give the Corporation a bond, in such sum as the Board of Directors, the General Counsel or the Secretary may require, to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss or destruction of any such certificate; a new certificate of the same tenor and for the same number of shares as the one alleged to be lost or destroyed, may be issued without requiring any bond when, in the judgment of the Board of Directors, the General Counsel or the Secretary, it is proper to do so.

ARTICLE VIII

CHECKS

All checks, drafts and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

ARTICLE IX

DIVIDENDS

Dividends upon the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation, if any, may be declared by the Board of Directors at any regular or special meetings, pursuant to law.

ARTICLE X

INAPPLICABILITY OF LOUISIANA CONTROL SHARE STATUTE

Effective May 23, 1995, the provisions of La. R.S. 12:135 through 12:140.2 shall not apply to control share acquisitions of shares of the Corporation's Capital Stock.

ARTICLE XI

CERTAIN DEFINITIONS

The terms Capital Stock, Continuing Directors, Total Voting Power and Voting Stock shall have the meanings ascribed to them in the Articles of Incorporation, provided, however, that for purposes of Sections 3 and 6 of Article IV of these Bylaws, Total Voting Power shall mean the total number of votes that holders of Capital Stock are entitled to cast generally in the election of directors.

ARTICLE XII

AMENDMENTS

These Bylaws may only be altered, amended or repealed in the manner specified in the Articles of Incorporation.

CENTURY TELEPHONE ENTERPRISES, INC.
1995 INCENTIVE COMPENSATION PLAN

1. Purpose. The purpose of the 1995 Incentive Compensation Plan (the "Plan") of Century Telephone Enterprises, Inc. ("Century") is to increase shareholder value and to advance the interests of Century and its subsidiaries (collectively, the "Company") by furnishing a variety of economic incentives (the "Incentives") designed to attract, retain and motivate employees and officers and to strengthen the mutuality of interests between such employees and officers and Century's shareholders. Incentives may consist of opportunities to purchase or receive shares of common stock, \$1.00 par value per share, of Century (the "Common Stock"), on terms determined under the Plan. As used in the Plan, the term "subsidiary" means any corporation of which Century owns (directly or indirectly) within the meaning of Section 425(f) of the Internal Revenue Code of 1986, as amended (the "Code"), 50% or more of the total combined voting power of all classes of stock. No Incentives shall be granted hereunder unless the Plan is first approved by the shareholders of Century.

2. Administration.

2.1 Composition. The Plan shall be administered by the compensation committee of the Board of Directors of Century, or by a subcommittee of the compensation committee. The committee or subcommittee that administers the Plan shall hereinafter be referred to as the "Committee". The Committee shall consist of not fewer than two members of the Board of Directors, each of whom shall (a) qualify as a "disinterested person" under Rule 16b-3 under the Securities Exchange Act of 1934 (the "1934 Act"), as currently in effect or any successor rule, and (b) beginning on the date of Century's 1996 annual meeting of shareholders, qualify as "outside directors" under Section 162(m) of the Code.

2.2 Authority. The Committee shall have plenary authority to award Incentives under the Plan, to interpret the Plan, to establish any rules or regulations relating to the Plan that it determines to be appropriate, to enter into agreements with participants as to the terms of the Incentives (the "Incentive Agreements") and to make any other determination that it believes necessary or advisable for the proper administration of the Plan. Its decisions in matters relating to the Plan shall be final and conclusive on the Company and participants. The Committee may delegate its authority hereunder to the extent provided in Section 3 hereof. The Committee shall not have authority to award Incentives under the Plan to directors in their capacities as such.

3. Eligible Participants. Key employees of the Company

(including officers who also serve as directors of the Company) shall become eligible to receive Incentives under the Plan when designated by the Committee. Employees may be designated individually or by groups or categories, as the Committee deems appropriate. With respect to participants not subject to Section 16 of the 1934 Act, the Committee may delegate to appropriate personnel of the Company its authority to designate participants, to determine the size and type of Incentives to be received by those participants and to determine or modify performance objectives for those participants.

4. Types of Incentives. Incentives may be granted under the Plan to eligible participants in any of the following forms, either individually or in combination, (a) incentive stock options and non-qualified stock options; (b) stock appreciation rights ("SARs") (c) restricted stock; and (d) performance shares.

5. Shares Subject to the Plan.

5.1. Number of Shares. Subject to adjustment as provided in Section 10.6, a total of 2 million shares of Common Stock are authorized to be issued under the Plan, Incentives with respect to no more than 200,000 shares of Common Stock may be granted through the Plan to a single participant in one calendar year. No more than 500,000 shares may be issued through the Plan as restricted stock. In the event that a stock option, SAR or performance share granted hereunder expires or is terminated or cancelled prior to exercise or payment, any shares of Common Stock that were issuable thereunder may again be issued under the Plan. In the event that shares of Common Stock are issued as Incentives under the Plan and thereafter are forfeited or reacquired by the Company pursuant to rights reserved upon issuance thereof, such forfeited and reacquired shares may again be issued under the Plan. If an Incentive is to be paid in cash by its terms, the Committee need not make a deduction from the shares of Common Stock issuable under the Plan with respect thereto. If and to the extent that an Incentive may be paid in cash or shares of Common Stock, the total number of shares available for issuance hereunder shall be debited by the number of shares payable under such Incentive, provided that upon any payment of all or part of such Incentive in cash, the total number of shares available for issuance hereunder shall be credited with the appropriate number of shares represented by the cash payment, as determined in the sole discretion of the Committee. Additional rules for determining the number of shares granted under the Plan may be made by the Committee, as it deems necessary or appropriate.

5.2. Type of Common Stock. Common Stock issued under the Plan may be authorized and unissued shares or issued shares held as treasury shares.

6. Stock Options. A stock option is a right to purchase shares of Common Stock from Century. Stock options granted under this Plan may be incentive stock options or non-qualified stock options. Any option that is designated as a non-qualified stock option shall not be treated as an incentive stock option. Each stock option granted by the Committee under this Plan shall be subject to the following terms and conditions:

6.1. Price. The exercise price per share shall be determined by the Committee, subject to adjustment under Section 10.6; provided that in no event shall the exercise price be less than the Fair Market Value of a share of Common Stock on the date of grant.

6.2. Number. The number of shares of Common Stock subject to the option shall be determined by the Committee, subject to Section 5.1 and subject to adjustment as provided in Section 10.6.

6.3. Duration and Time for Exercise. Subject to earlier termination as provided in Section 10.4, the term of each stock option shall be determined by the Committee. Subject to Section 10.12, each stock option shall become exercisable at such time or times during its term as shall be determined by the Committee, provided, however, that, except as provided below, no stock option granted to an officer or director of Century who is subject to Section 16 of the 1934 Act (an "Insider") shall be exercisable within the six-month period immediately following the date of grant. Notwithstanding the foregoing, the Committee may accelerate the exercisability of any stock option at any time, except to the extent of any automatic acceleration of stock options under Section 10.12.

6.4. Repurchase. Upon approval of the Committee, the Company may repurchase a previously granted stock option from a participant by mutual agreement before such option has been exercised by payment to the participant of the amount per share by which: (i) the Fair Market Value (as defined in Section 10.13) of the Common Stock subject to the option on the business day immediately preceding the date of purchase exceeds (ii) the exercise price.

6.5. Manner of Exercise. A stock option may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of shares of Common Stock to be purchased. The exercise notice shall be accompanied by the full purchase price for such shares. The option price shall be payable in United States dollars and may be paid by (a) cash; (b) uncertified or certified check; (c) unless otherwise determined by the Committee, by delivery of shares of Common Stock held by the optionee for at least six months, which shares shall be valued for this purpose at the Fair Market Value on the business day immediately preceding the date such option is exercised; (d) by the simultaneous exercise of options and sale of the shares of Common Stock acquired upon simultaneous exercise of options and sale of the shares of Common Stock acquired upon exercise, pursuant to a brokerage arrangement that has been approved in advance by the Committee, with the proceeds from such sale delivered in payment of the exercise price; or (e) in such other manner as may be authorized from time to time by the Committee. In the case of delivery of an uncertified check upon exercise of a stock option, no shares shall be issued until the check has been paid in full. Prior to the issuance of shares of Common Stock upon the exercise of a stock option, a participant shall have no rights as a shareholder.

6.6. Incentive Stock Options. Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options that are intended to qualify as Incentive Stock Options (as such term is defined in Section 422 of the Code):

(a) Any Incentive Stock Option agreement authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain or be deemed to contain all provisions required in order to qualify the options as Incentive Stock Options.

(b) All Incentive Stock Options must be granted within ten years from the date on which this Plan is adopted by the Board of Directors.

(c) Unless sooner exercised, all Incentive Stock Options shall expire no later than ten years after the date of grant.

(d) No Incentive Stock Options shall be granted to any participant who, at the time such option is granted, would own (within the meaning of Section 422 of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation.

(e) The aggregate Fair Market Value (determined with respect to each Incentive Stock Option as of the time such Incentive Stock Option is granted) of the Common Stock with respect to which Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under the Plan or any other plan of Century or any of its subsidiaries) shall not exceed \$100,000. To the extent that such limitation is exceeded, such options shall not be treated, for federal income tax purposes, as incentive stock options.

6.7 Equity Maintenance. If a participant exercises an option during the term of his employment with the Company, and pays the exercise price (or any portion thereof) through the surrender of shares of outstanding Common Stock owned by the participant, the Committee may, in its discretion, grant to such participant an additional option to purchase the number of shares of Common Stock equal to the shares of Common Stock so surrendered by such participant. Any such additional options granted by the Committee shall be exercisable at the Fair Market Value of the Common Stock determined as of the business day immediately preceding the respective dates such additional options may be granted. As stated above, such additional options may be granted only in connection with the exercise of options by the participant during the term of his active employment with the Company. The grant of such additional options under this Section 6.7 shall be made upon such other terms and conditions as the Committee may from time to time determine.

7. Restricted Stock

7.1 Grant of Restricted Stock. The Committee may award shares of restricted stock to such key employees as the Committee determines to be eligible pursuant to the terms of Section 3. An award of restricted stock may be subject to the attainment of specified performance goals or targets, restrictions on transfer, forfeitability provisions and such other terms and conditions as the Committee may determine, subject to the provisions of the Plan. To the extent restricted stock is intended to qualify as performance based compensation under Section 162(m) of the Code, it must meet the additional

requirements imposed thereby.

7.2 The Restricted Period. At the time an award of restricted stock is made, the Committee shall establish a period of time during which the transfer of the shares of restricted stock shall be restricted (the "Restricted Period"). Each award of restricted stock may have a different Restricted Period. A Restricted Period of at least three is required, except that if vesting of the shares is subject to the attainment of specified performance goals, a Restricted Period of one year or more is permitted. In addition, any participant subject to Section 16 of the 1934 Act shall be prohibited from selling or otherwise transferring shares of restricted stock for a period of six months from the grant thereof. The expiration of the Restricted Period shall also occur as provided under Section 10.4 and under the conditions described in Section 10.12 hereof.

7.3 Escrow. The participant receiving restricted stock shall enter into an Incentive Agreement with the Company setting forth the conditions of the grant. Certificates representing shares of restricted stock shall be registered in the name of the participant and deposited with the Company, together with a stock power endorsed in blank by the participant. Each such certificate shall bear a legend in substantially the following form:

The transferability of this certificate and the shares of Common Stock represented by it are subject to the terms and conditions (including conditions of forfeiture) contained in the Century Telephone Enterprises, Inc. 1995 Incentive Compensation Plan (the "Plan"), and an agreement entered into between the registered owner and Century Telephone Enterprises, Inc. thereunder. Copies of the Plan and the agreement are filed at the principal office of the Company.

7.4 Dividends on Restricted Stock. Any and all cash and stock dividends paid with respect to the shares of restricted stock shall be subject to any restrictions on transfer, forfeitability provisions or reinvestment requirements as the Committee may, in its discretion, prescribe in the Incentive Agreement.

7.5 Forfeiture. In the event of the forfeiture of any shares of restricted stock under the terms provided in the Incentive Agreement (including any additional shares of restricted stock that may result from the reinvestment of cash and stock dividends, if so provided in the Incentive Agreement), such forfeited shares shall be surrendered and the certificates cancelled. The participants shall have the same rights and privileges, and be subject to the same forfeiture provisions, with respect to any additional shares received pursuant to Section 10.6 due to a recapitalization, merger or other change in capitalization.

7.6 Expiration of Restricted Period. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided for in Section 7.2 and in the Incentive Agreement or an amendment thereto, the restrictions applicable to the restricted stock shall lapse and a stock certificate for the number of shares of restricted stock with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions and legends, except any that may be imposed by law, to the participant or the participant's estate, as the case may be.

7.7 Rights as a Shareholder. Subject to the terms and conditions of the Plan and subject to any restrictions on the receipt of dividends that may be imposed in the Incentive Agreement, each participant receiving restricted stock shall have all the rights of a shareholder with respect to shares of stock during any period in which such shares are subject to forfeiture and restrictions on transfer, including without limitation, the right to vote such shares.

8. Stock Appreciation Rights. A SAR is a right to receive, without payment to the Company, a number of shares of Common Stock, cash or any combination thereof, the amount of which is determined pursuant to the formula set forth in Section 8.4. A SAR may be granted (a) with respect to any stock option granted under the Plan, either concurrently with the grant of such stock option or at such later time as determined by the Committee (as to all or any portion of the shares of Common Stock subject to the stock option), or (b) alone, without reference to any related stock option. Each SAR granted by the Committee under the Plan shall be subject to the following terms and conditions:

8.1 Number. Each SAR granted to any participant shall relate to such number of shares of Common Stock as shall be determined by the Committee, subject to Section 5.1 and subject to adjustment as provided in Section 10.6. In the case of a SAR granted with respect to a stock option, the number of shares of Common Stock to which the SAR pertains shall be reduced in the same proportion that the holder of the option exercises the related stock option.

8.2 Duration and Time for Exercise. Subject to Section 10.12, the term and exercisability of each SAR shall be determined by the Committee. Unless otherwise provided by the Committee in the Incentive Agreement, each SAR issued in connection with a stock option shall become exercisable at the same time or times, to the same extent and upon the same conditions as the related stock option. No SAR granted to a person subject to Section 16 of the 1934 Act may be exercised during the first six months of its term. Notwithstanding the foregoing, the Committee may in its discretion accelerate the exercisability of any SAR at any time, except to the extent of any automatic acceleration of SARs under Section 10.12.

8.3 Exercise. A SAR may be exercised, in whole or in part, by giving written notice to the Company, specifying the number of SARs that the holder wishes to exercise. The Company shall, within 30 days of receipt of notice of exercise by the Company, deliver to the exercising holder certificates for the shares of Common Stock or cash or both, as determined by the Committee, to which the holder is entitled pursuant to Section 8.4.

8.4 Payment. Subject to the right of the Committee to deliver cash in lieu of shares of Common Stock, the number of shares of Common Stock that shall be issuable upon the exercise of an SAR shall be determined by dividing:

(a) the number of shares of Common Stock as to which the SAR is exercised multiplied by the dollar amount of the appreciation in such shares (for this purpose, the "appreciation" shall be the amount by which the Fair Market Value of the shares of Common Stock subject to the SAR on the Exercise Date exceeds (1) in the case of a SAR related to a stock option, the purchase price of the shares of Common Stock under the stock option or (2) in the case of a SAR granted alone, without reference to a related stock option, an amount equal to the Fair Market Value of a share of Common Stock on the date of grant, which shall be determined by the Committee at the time of grant, subject to adjustment under Section 10.6); by

(b) the Fair Market Value of a share of Common Stock on the Exercise Date.

In lieu of issuing shares of Common Stock upon the exercise of a SAR, the Committee may elect to pay the holder of the SAR cash equal to the Fair Market Value on the Exercise Date of any or all of the shares which would otherwise be issuable. No fractional shares of Common Stock shall be issued upon the exercise of a SAR; instead, the holder of a SAR shall be entitled to receive a cash adjustment equal to the same fraction of the Fair Market Value of a share of Common Stock on the Exercise Date or to purchase the portion necessary to make a whole share at its Fair Market Value on the Exercise Date.

9. Performance Shares. A performance share consists of an award that may be paid in shares of Common Stock or in cash, as described below. The award of performance shares shall be subject to such terms and conditions as the Committee deems appropriate.

9.1 Performance Objectives. Each performance share will be subject to performance objectives for Century or one of its subsidiaries, divisions or departments to be achieved by the end of a specified period. The number of performance shares awarded shall be determined by the Committee and may be subject to such terms and conditions as the Committee shall determine. If the performance objectives are achieved, each participant will be paid (a) a number of shares of Common Stock equal to the number of performance shares initially granted to that participant; (b) a cash payment equal to the Fair Market Value of such number of shares of Common Stock on the date the performance objectives are met or such other date as may be provided by the Committee or (c) a combination of shares of Common Stock and cash, as may be provided by the Committee. If such objectives are not met, each award of performance shares may provide for lesser payments in accordance with a pre-established formula set forth in the Incentive Agreement. To the extent a performance share is intended to qualify as performance based compensation under Section 162(m) of the Code, it must meet the additional requirements imposed thereby.

9.2 Not a Shareholder. The award of performance shares to a participant shall not create any rights in such participant as a shareholder of the Company, until the payment of shares of Common Stock with respect to an award, at which time such stock shall be considered issued and outstanding.

9.3 Dividend Equivalent Payments. A performance share award may be granted by the Committee in conjunction with dividend equivalent payment rights or other such rights. Dividend equivalent payments may be made to the participant at the time of the payment of the dividend or issuance of the other right or at the end of the specified performance period or may be deemed to be invested in additional performance shares at the Fair Market Value of a share of Common Stock on the date of payment of the dividend or issuance of the right.

10. General.

10.1. Duration. Subject to Section 10.11, the Plan shall remain in effect until all Incentives granted under the Plan have either been satisfied by the issuance of shares of Common Stock or the payment of cash or been terminated under the terms of the Plan and all restrictions imposed on shares of Common Stock in connection with their issuance under the Plan have lapsed.

10.2 Transferability of Incentives. Options, SARs and performance shares granted under the Plan shall not be transferable except: (a) by will; (b) by the laws of descent and distribution; (c) to family members, to a trust for the benefit of family members or to charitable institutions, if permitted by the Committee and provided in the Incentive Agreement, after a determination that the ability to transfer the Incentive will not result in the grant of the Incentive being taxable and, with respect to such Incentives to Insiders, if permitted by Rule 16b-3 under the 1934 Act; or (d) pursuant to a domestic relations order, as defined by the Code. Options or SARs may be exercised during the lifetime of a participant only by the participant or by the participant's guardian or legal representative. Any attempted assignment, transfer, pledge, hypothecation or other disposition of an Incentive, or levy of attachment or similar process upon the Incentive not specifically permitted herein, shall be null and void and without effect.

10.3. Non-transferability of Common Stock. Any shares of Common Stock awarded to an Insider as restricted stock, or in payment of a performance share award must be held for a period of six months from the date of grant, unless otherwise permitted to be transferred and still be in compliance with Rule 16b 3 under the 1934 Act.

10.4. Effect of Termination of Employment or Death. In the event that a participant ceases to be an employee of the Company for any reason, including death, disability, early retirement or normal retirement, any Incentives may be exercised, shall vest or shall expire at such times as may be determined by the Committee in the Incentive Agreement.

10.5. Additional Condition. Anything in this Plan to the contrary notwithstanding: (a) the Company may, if it shall determine it necessary or desirable for any reason, at the time of award of any Incentive or the issuance of any shares of Common Stock pursuant to any Incentive, require the recipient of the Incentive, as a condition to the receipt thereof or to the receipt of shares of Common Stock issued pursuant thereto,

to deliver to the Company a written representation of present intention to acquire the Incentive or the shares of Common Stock issued pursuant thereto for his own account for investment and not for distribution; and (b) if at any time the Company further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of any Incentive or the shares of Common Stock issuable pursuant thereto is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the award of any Incentive, the issuance of shares of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such Incentive shall not be awarded or such shares of Common Stock shall not be issued or such restrictions shall not be removed, as the case may be, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

10.6. Adjustment. In the event of any recapitalization, stock dividend, stock split, combination of shares or other change in the Common Stock, the number of shares of Common Stock then subject to the Plan, including shares subject to outstanding Incentives, shall be adjusted in proportion to the change in outstanding shares of Common Stock. In the event of any such adjustments, the purchase price of any option, the performance objectives of any Incentive, and the shares of Common Stock issuable pursuant to any Incentive shall be adjusted as and to the extent appropriate, in the reasonable discretion of the Committee, to provide participants with the same relative rights before and after such adjustment.

10.7. Incentive Agreements. The terms of each Incentive shall be stated in an agreement approved by the Committee. The Committee may also determine to enter into agreements with holders of options to reclassify or convert certain outstanding options, within the terms of the Plan, as Incentive Stock Options or as non-qualified stock options.

10.8. Withholding. The Company shall have the right to withhold from any payments made under the Plan or to collect as a condition of payment, any taxes required by law to be withheld.

10.9. No Continued Employment. No participant under the Plan shall have any right, because of his or her participation, to continue in the employ of the Company for any period of time or to any right to continue his or her present or any other rate of compensation.

10.10. Deferral Permitted. Payment of cash or distribution of any shares of Common Stock to which a participant is entitled under any Incentive shall be made as provided in the Incentive Agreement. Payment may be deferred at the option of the participant if provided in the Incentive Agreement.

10.11. Amendment of the Plan. The Board may amend or discontinue the Plan at any time. In addition, no amendment or discontinuance shall, subject to adjustments permitted under Section 10.6, change or impair, without the consent of the recipient, an Incentive previously granted, except that the Company retains the right to (a) convert any outstanding Incentive Stock Option to a non-qualified stock option, (b) require the forfeiture of an Incentive if a participant's employment is terminated for cause, and (c) exercise all rights under Section 10.12.

10.12 Change of Control. Notwithstanding anything to the contrary in the Plan or any related Incentive Agreement, if (i) Century shall not be the surviving entity in any merger, consolidation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Company), (ii) the Company sells, leases or exchanges all or substantially all of its assets to any other person or entity (other than a wholly-owned subsidiary of the Company), (iii) Century is to be dissolved or liquidated, (iv) any person or entity, including a "group" as contemplated by section 13(d)(3) of the 1934 Act, other than an employee benefit plan of the Company or a related trust, acquires or gains ownership or control (including, without limitation, power to vote) of more than 30% of the outstanding shares of Century's voting stock, or

(v) as a result of or in connection with a contested election of directors, the persons who were directors of Century before such election shall cease to constitute a majority of the Board of Directors of Century (each such event is referred to herein as a "Corporate Change"), then upon the approval by the Board of Directors of Century of any Corporate Change of the type described in clause (i) to (iii) or upon a Corporate Change described in clause (iv) or (v), all outstanding options and SARs shall automatically become fully exercisable, all restrictions or limitations on any Incentives shall lapse and all performance criteria and other conditions relating to the payment of Incentives shall be deemed to be achieved or waived by the Company, without the necessity of any action by any person. In addition, no later than (a) 30 days after the approval by the Board of Directors of Century of any Corporate Change of the type described in clauses (i) to (iii) or (b) 30 days after a Corporate Change of the type described in clause (iv) or (v), the Committee, acting in its sole discretion without the consent or approval of any participant (and notwithstanding any removal or attempted removal of some or all of the members thereof as directors or committee members), may act to effect one or more of the following alternatives, which may vary among individual participants and which may vary among Incentives held by any individual participant: (1) require that all outstanding options and/or SARs be exercised on or before a specified date (before or after such Corporate Change) fixed by the Committee, after which specified date all unexercised options and SARs and all rights of participants thereunder shall terminate, (2) provide for mandatory conversion of some or all of the outstanding options and SARs held by some or all participants as of a date, before or after such Corporate Change, specified by the Committee, in which event such options and SARs shall be deemed automatically cancelled and the Company shall pay, or cause to be paid, to each such participant an amount of cash per share equal to the excess, if any, of the Change of Control Value of the shares subject to such option or SAR, as defined and calculated below, over the exercise price(s) of such options or SARs, or, in lieu of such cash payment, the issuance of Common Stock having a Fair Market Value equal to such excess, (3) make such equitable adjustments to Incentives then outstanding as the Committee deems appropriate to reflect such Corporate Change (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary to Incentives then outstanding) or (4) provide that thereafter upon any exercise of an option or SAR theretofore granted the participant shall be entitled to purchase under such option or SAR, in lieu of the number of shares of Common Stock then covered by such option or SAR, the number and class of shares of stock or other securities or property (including, without limitation, cash) to which the participant would have been entitled pursuant to the terms of the agreement providing for the merger, consolidation, asset sale, dissolution or other Corporate Change of the type

described in clause (i) to (iii) above, if, immediately prior to such Corporate Change, the participant had been the holder of record of the number of shares of Common Stock then covered by such options or SARs. For the purposes of clause (2) above, the "Change of Control Value" shall equal the amount determined by whichever of the following items is applicable: (i) the per share price offered to shareholders of Century in any such merger, consolidation or other reorganization, determined as of the date of the definitive agreement providing for such transaction, (ii) the price per share offered to shareholders of Century in any tender offer or exchange offer whereby a Corporate Change takes place, or (iii) in all other events, the Fair Market Value per share of Common Stock into which such options or SARs being converted are exercisable, as determined by the Committee as of the date determined by the Committee to be the date of conversion of such options or SARs. In the event that the consideration offered to shareholders of Century in any transaction described herein consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash.

10.13. Definition of Fair Market Value. Whenever "Fair Market Value" of Common Stock shall be determined for purposes of this Plan, it shall be determined as follows: (i) if the Common Stock is listed on an established stock exchange or any automated quotation system that provides sale quotations, the closing sale price for a share of the Common Stock on such exchange or quotation system on the applicable date; (ii) if the Common Stock is not listed on any exchange or quotation system, but bid and asked prices are quoted and published, the mean between the quoted bid and asked prices on the applicable date, and if bid and asked prices are not available on such day, on the next preceding day on which such prices were available; and (iii) if the Common Stock is not regularly quoted, the fair market value of a share of Common Stock on the applicable date as established by the Committee in good faith.

10.14. Compliance with Section 16. It is the intent of the Company that the Plan and Incentives hereunder satisfy and be interpreted in a manner, that, in the case of participants who are or may be Insiders, satisfies the applicable requirements of Rule 16b-3, so that such persons will be entitled to the benefits of Rule 16b-3 or other exemptive rules under Section 16 of the 1934 Act and will not be subjected to avoidable liability thereunder. If any provision of the Plan or of any Incentives would otherwise frustrate or conflict with the intent expressed in this Section 10.14, that provision to the extent possible shall be interpreted and deemed amended so as to avoid such conflict. To the extent of any remaining irreconcilable conflict with such intent, the provision shall be deemed void as applicable to Insiders.

10.15. Loans. In order to assist a participant to satisfy his tax liabilities arising in connection with an Incentive granted under the Plan, the Committee may authorize, subject to the provisions of Regulation G of the Board of Governors of the Federal Reserve System, at either the time of the grant of the Incentive, at the time of the acquisition of Common Stock pursuant to the Incentive, or at the time of the lapse of restrictions on shares of restricted stock granted under the Plan, the extension of a loan to the participant by the Company. The terms of any loans, including the interest rate, collateral and terms of repayment, will be subject to the discretion of the Committee. The maximum credit available hereunder shall be equal to the maximum tax liability that may be incurred in connection with the Incentive.

Adopted by the Compensation Committee: February 19, 1995.

Ratified by the Board of Directors: February 21, 1995.

Approved by the Shareholders: May 11, 1995.

Exhibit 5

June 6, 1995

Century Telephone Enterprises, Inc.
100 Century Park Drive
Monroe, Louisiana 71203

Gentlemen:

We have acted as counsel for Century Telephone Enterprises, Inc. ("Century") in connection with Century's Registration Statement on Forms S-8 (the "Registration Statement") with respect to the proposed offering by Century of 2,000,000 shares of Century's Common Stock, \$1.00 par value (the "Shares"), pursuant to the terms of Century's 1995 Incentive Compensation Plan (the "Plan").

Based upon the foregoing, and upon our examination of such legal and factual matters as we deem necessary in order to furnish this opinion, it is our opinion that the Shares, when issued according to the terms of the Plan, will be duly authorized, legally issued, fully paid and non-assessable, assuming the Shares are not issued for less than par value.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Sincerely,

**JONES, WALKER, WAECHTER,
POITEVENT, CARRERE & DENEGRÉ, L.L.P.**

*By: /s/ Margaret F. Murphy
Margaret F. Murphy*

Exhibit 23.1

INDEPENDENT ACCOUNTANTS' CONSENT

The Board of Directors
Century Telephone Enterprises, Inc.

We consent to the use of our report dated February 6, 1995, on the consolidated financial statements of Century Telephone Enterprises, Inc. and Subsidiaries and the related financial statement schedule as of December 31, 1994 and 1993, and for each of the years in the three-year period ended December 31, 1994, incorporated herein by reference. Our report refers to changes in the accounting for income taxes and postretirement benefits other than pensions in 1992.

KPMG PEAT MARWICK LLP

/s/ KPMG PEAT MARWICK LLP

*Shreveport, Louisiana
June 6, 1995*

End of Filing

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