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**ARTICLES OF INCORPORATION  
OF  
NORTH STATE TELECOMMUNICATIONS CORPORATION**

EFFECTIVE  
JANICE H. FAULKNER  
SECRETARY OF STATE  
NORTH CAROLINA

The undersigned, for the purpose of forming a business corporation under the laws of the State of North Carolina, does hereby make and acknowledge these Articles of Incorporation.

**ARTICLE I**

**NAME**

The name of the Company is "North State Telecommunications Corporation."

**ARTICLE II**

**DURATION**

The period of duration of the Company shall be perpetual.

**ARTICLE III**

**PURPOSES**

The purposes for which the Company is organized are and it shall have the power:

- A. To build, erect, equip, operate and maintain communications equipment, services, facilities and systems in the cities and towns of High Point, Thomasville, Randleman, Jamestown and Archdale, North Carolina, and such other cities or areas in which the Company and its subsidiaries may elect to do business, and to charge fees for such communications items;
- B. To engage in any lawful activity; including, but not limited to, manufacturing, processing, selling, brokering, factoring, distributing, lending, borrowing, or investing in, any type of property whether real or personal, tangible or intangible; acquiring, owning, mortgaging, leasing, operating, selling and otherwise disposing of any type of property, whether real or personal, tangible or intangible; performing personal service of any nature, entering into or serving in any type of management, investigative, advisory, promotional, protective, insurance, guarantyship, suretyship, fiduciary or representative capacity or relationship for any person or corporation whatsoever; borrowing money, issuing bonds, debentures, notes or obligations of the corporation and to secure the same by mortgage, pledge, deed of trust, or other forms of security, and to sell or otherwise dispose of any or all of such bonds, debentures, notes or obligations in such manner and upon such terms as the Board of Directors may deem advisable; to engage in any communications, information processing,

manufacturing, distributing, transportation, shipping, financial, or mercantile business or businesses of any kind, and to do all things incidental thereto; to do any and all of the acts and things herein set forth, as principal, factor, agent, contractor, or otherwise, either along or in company with others; and to carry on any other similar businesses which is incidental or conducive or convenient or proper to the attainment of the foregoing purposes or any of them, and which is not forbidden by law; and to engage in any other act or activity for which corporations may be organized under Chapter 55 of the General Statutes of North Carolina, and the several amendments thereto.

- C. To condemn lands owned by individuals, corporations or others for the erection of any communications facilities and other items reasonably necessary for operating the business of the Company, as provided by applicable federal or state laws.

## **ARTICLE IV**

### **CAPITAL STOCK**

#### **Section 4.1. Classes of Capital Stock.**

The classes of the capital stock of the Company shall be as follows:

(a) ***Class A Common Stock.***

The authorized Class A Common Stock of the Company shall consist of six hundred thousand (600,000) shares, no par value. All shares of Class A Common Stock shall be issued only as fully paid and non-assessable.

(b) ***Class B Common Stock.***

The authorized Class B Common Stock of the Company shall consist of five hundred thousand (500,000) shares, no par value.

All holders of Class B Common Stock shall possess rights identical to those of holders of Class A Common Stock, except that holders of Class B Common Stock shall not be entitled, except as otherwise required by law, to cast votes at, or to receive notice of, meetings of stockholders of the Company or to otherwise exercise voting rights. All shares of Class B Common Stock shall be issued only as fully paid and non-assessable. Holders of Class B Common Stock shall have no preemptive rights to acquire additional shares of any class of capital stock of the Company.

Each share of the Class A and Class B Common Stock shall share equally in the Company's assets, earnings, surplus, dividends or other distributions, and, in the case of any

stock dividends, or stock splits, each share shall be entitled to an equal proportion, per share, of the distribution in stock or splits of its own class.

**Section 4.2. Authority to Classify.**

The Board of Directors shall have authority to fix by resolution the terms, preferences, limitations and relative rights of the classes of capital stock insofar as the same are not fixed by these Articles of Incorporation.

**ARTICLE V**

**BUSINESS COMBINATIONS**

**Section 5.1. Rights of Stockholders.**

The affirmative vote of the holders of eighty percent (80%) or more of all outstanding shares of capital stock entitled to vote (the "Voting Shares") shall be required for the approval or authorization of any Business Combination (as hereinafter defined); provided, however, that this eighty percent (80%) voting requirement shall not be applicable and such Business Combination may be approved by the affirmative vote of a majority of the then outstanding Voting Shares of the Company or any greater vote required by law or any other provision of this Charter, if either

- (a) The Business Combination was approved by the Board of Directors of the Company by the affirmative vote of at least two-thirds (2/3) of the Continuing Directors (as hereinafter defined) at a regular or special meeting of the Board of Directors immediately preceding a meeting of stockholders, or
- (b) All of the following conditions are satisfied:
  - (1) the aggregate amount of the cash and the fair market value of the property, securities or other consideration to be received per share of capital stock of the Company in the Business Combination by the holders of capital stock of the Company, other than the Related Persons (as hereinafter defined) involved in the Business Combination, is not less than the highest per share price (including brokerage commissions, soliciting dealers' fees, dealer-management compensation, and other expenses; including, but not limited to, costs of newspaper advertisements, printing expenses and attorneys' fees) paid by such Related Person in acquiring any of its holdings of the Company's capital stock; and
  - (2) The consideration to be received in such Business Combination by holders of capital stock, other than the Related Person involved shall be, except to the extent that a stockholder agrees otherwise as to all or part of the shares which

he or she owns, in the same form and of the same kind as the consideration paid by the Related Person in acquiring capital stock already owned by it; provided, however, that if the Related Person has paid for shares of capital stock with varying forms of consideration, the form of consideration for shares of capital stock acquired in the Business Combination by the Related Person shall be either cash or the form used to acquire the largest number of shares of capital stock previously acquired by it; and

- (3) A proxy statement responsive to the requirements of the Securities Exchange Act of 1934 (the "1934 Act"), whether or not the Company is then subject to such requirements, shall be mailed to the stockholders of the Company for the purpose of soliciting stockholder approval of such Business Combination and shall contain at the front thereof, in a prominent place (i) any recommendations as to the advisability (or inadvisability) of the Business Combination which the Continuing Directors may choose to state, and (ii) the opinion of a reputable investment banking firm selected by the Continuing Directors as to the fairness of the terms of such Business Combination, from the point of view of the public stockholders (other than any Related Person) of the Company.

#### **Section 5.2. Definitions and Terms.**

- (a) ***Definitions With Respect To Article V.*** For purposes of this Article V, the following terms shall be defined as follows:
  - (1) The term "Business Combination" shall mean any transactions in connection with a merger, consolidation or share exchange of the Company, or a combination, acquisition or purchase or sale of significant assets of the Company, involving a Related Person, but excluding any reorganization or recombination instituted by the Board of Directors of the Company.
  - (2) The term "Related Person" shall mean any individual, partnership, corporation, trust or other person or entity (together with its "affiliates" and "associates," as those terms are defined in Rule 12b-2 promulgated under the 1934 Act), which as of the date of execution of an agreement in principle and/or a definitive agreement with respect to a Business Combination are "beneficial owners" (as defined in Rule 13d-3 promulgated under the 1934 Act) in the aggregate of ten percent (10%) or more of the voting power of the outstanding capital stock of the Company, and any affiliate or associate of any such Related Person.
  - (3) The term "Continuing Director" shall mean any member of the Board of Directors of the Company who is unaffiliated with the Related Person and

was a member of the Board of Directors prior to the time that the Related Person became a Related Person, and any successor of a Continuing Director who is unaffiliated with the Related Person and is recommended to succeed a Continuing Director by a majority of the Continuing Directors.

- (4) The term "Whole Board of Directors" shall mean the total number of directors which the Company would have if there were no vacancies.

(b) ***Certain Determinations With Respect To Article V.***

- (1) A Related Person shall be deemed to have acquired a share of the Company at the time when such Related Person became the beneficial owner thereof. With respect to shares of capital stock owned by affiliates, associates or other persons whose ownership is attributed to a Related Person, under the foregoing definition of Related Person, if the price paid by such Related Person for such shares is not determinable, the price so paid shall be deemed to be the higher of (i) the price paid upon acquisition thereof by the affiliate, associate or other person, or (ii) the market price of the shares in question (as determined by a majority of the Continuing Directors) at the time when the Related Person became the beneficial owner thereof.

- (2) For purposes of this Article V, in the event of a Business Combination upon consummation of which the Company would be the surviving corporation or would continue to exist (unless it is provided, contemplated or intended that as part of such Business Combination a plan of liquidation or dissolution of the Company will be effected), the term "other consideration to be received" shall include (without limitation) common stock or other capital stock of the Company retained by stockholders of the Company (other than Related Persons who are parties to such Business Combination).

- (c) ***Fiduciary Obligations.*** Nothing contained in this Article V shall be construed to relieve any Related Person from any fiduciary obligation imposed by law.

- (d) ***Standards for Evaluation of Offers by Board of Directors.*** The Board of Directors of the Company, when evaluating any offer of any individual, corporation, partnership, trust, person or other entity, or a Related Person to (i) make a tender or exchange offer for an equity security of the Company, (ii) merge or consolidate the Company with another corporation, or (iii) purchase or otherwise acquire all or substantially all of the properties and assets of the Company, shall, in connection with the exercise of its judgment in determining what is in the best interests of the Company and its stockholders, give due consideration to all relevant factors; including, without limitation, the social and economic effects of acceptance of such offer on (i) its customers, borrowers and employees, and on the communities in

which the Company operates or is located and (ii) the ability of the Company to fulfill the objectives of a public communications company under applicable federal and state statutes and regulations.

**Section 5.3. Amendment and Repeal of Article V.**

Notwithstanding any other provisions of these Articles of Incorporation or the By-Laws of the Company (and notwithstanding the fact that a lesser percentage may be specified by law) any amendment, change or repeal of this Article V, or any other amendment of these Articles of Incorporation or the By-Laws of the Company which will have the effect of modifying or permitting circumvention of this Article V, shall require the affirmative vote of the holders of at least eighty percent (80%) of the then outstanding Voting Shares of the Company; provided, however, that this Section 5.3 shall not apply to, and such eighty percent (80%) vote shall not be required for, any such amendment, change or repeal recommended to stockholders of the Company by the affirmative vote of not less than two-thirds (2/3) of the Continuing Directors, and such amendment, change or repeal so recommended shall require only the stockholder vote, if any, required under the applicable provisions of law. For the purposes of this Section 5.3 only, if at the time when any such proposed Business Combination, the term "Continuing Directors" shall be deemed to mean the Whole Board of Directors.

**ARTICLE VI**

**AMENDMENT OF ARTICLES OF INCORPORATION OR BY-LAWS**

Except as otherwise provided herein, an affirmative vote of the holders of at least eighty percent (80%) of the then outstanding Voting Shares of the Company shall be required to amend, repeal or modify the Articles of Incorporation of the Company or the By-Laws of the Company as adopted by the Board of Directors; provided, however, that if any such amendment, repeal or modification has been approved by at least two-thirds (2/3) of the Company's Board of Directors, only the affirmative vote of a majority of the then outstanding Voting Shares or any greater vote required by law shall be necessary. No provision of this Article VI shall be deemed to limit in any manner the power and authority of the Company's Board of Directors to adopt, rescind, amend or modify the Company's By-Laws.

**ARTICLE VII**

**REGISTERED OFFICE AND AGENT**

The registered office of the Company is the principal office of the Company, 111 North Main Street, High Point, Guilford County, North Carolina, 27260, and the registered agent of the Company is Royster M. Tucker, Jr.

**ARTICLE VIII**

**INITIAL DIRECTORS**

The number of directors constituting the Board of Directors shall be nine, and the names of the persons who are to serve as the initial directors are as follows:

Royster M. Tucker, Jr.  
Hardy D. Dudley  
William H. Dula  
Elizabeth H. Harman  
J. Patrick Harman  
Margaret H. Hollingsworth  
C. Hayden McKenzie  
Lizbeth W. Privette  
Royster M. Tucker, III

**ARTICLE IX**

**NO CUMULATIVE VOTING**

No stockholder of the Company shall be entitled to cumulate his or her votes for any purpose.

**ARTICLE X**

**PREEMPTIVE RIGHTS**

The Company elects to have preemptive rights with respect to its Class A Common Stock.

**ARTICLE XI**

**PERSONAL LIABILITY**

To the fullest extent permitted by the North Carolina Business Corporation Act as it exists or may hereafter be amended, no person who is serving or who has served as a director of the corporation shall be personally liable to the corporation or any of its shareholders for monetary damages for breach of duty as a director. No amendment or repeal of this Article, nor the adoption of any provision to these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal, or adoption.

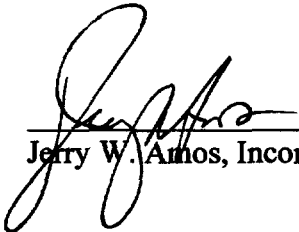
**ARTICLE XII**  
**INCORPORATOR**

The name and address of the incorporator is as follows:

Jerry W. Amos, Esq.  
Amos & Jeffries, L.L.P.  
1230 Renaissance Plaza  
230 N. Elm Street  
Greensboro, North Carolina 27401

These Articles of Incorporation shall be effective upon filing.

Dated: July 1, 1996

  
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Jerry W. Amos, Incorporator