

Delaware

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The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "NORTH AMERICAN GAMING AND ENTERTAINMENT CORPORATION", FILED IN THIS OFFICE ON THE FOURTH DAY OF FEBRUARY, A.D. 2008, AT 11:07 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



0730715 8100

080113782

You may verify this certificate online
at corp.delaware.gov/authver.shtml

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6357316

DATE: 02-04-08

**CERTIFICATE OF ELIMINATION OF
THE SERIES B, E AND F PREFERRED STOCK OF
NORTH AMERICAN GAMING AND ENTERTAINMENT CORPORATION**

Pursuant to Section 151(g) of the Delaware General Corporation Law

I, E. H. Hawes, II, President and Secretary of North American Gaming and Entertainment Corporation (the "Corporation"), a Delaware corporation, in accordance with the provisions of Section 151(g) of the Delaware General Corporation Law ("DGCL"), do hereby certify:

That pursuant to authority conferred upon the Board of Directors of the Corporation by the Certificate of Incorporation of the Corporation, the Board of Directors authorized and adopted by means of a unanimous written consent dated as of January 31, 2008, the following resolutions providing for the cancellation of the Series B Preferred Stock, the Series E Preferred Stock and the Series F Preferred Stock:

"WHEREAS, the Corporation previously adopted by action of the Board of Directors Certificates of Designations, Rights and Preferences of Preferred Stock to create series of preferred stock known as the Series B Preferred Stock, the Series E Preferred Stock and the Series F Preferred Stock, and

WHEREAS, no shares of the Series B, E or F Preferred Stock is currently issued or outstanding,


THEREFORE BE IT RESOLVED, that the Board of Directors deems it advisable and the officers of the Corporation shall be authorized and directed to file a Certificate of Elimination for the Series B Preferred Stock, the Series E Preferred Stock and the Series F Preferred Stock in the State of Delaware and to take all other action as said officers deem necessary, desirable or appropriate to effectuate the filing of the Certificate of Elimination."

Such Certificate of Elimination was duly adopted in accordance with Section 151(g) of the DGCL by means of a unanimous written consent as of January 31, 2008.

*** SIGNATURE FOLLOWS***

EXECUTED this 31st day of January, 2008.

NORTH AMERICAN GAMING AND
ENTERTAINMENT CORPORATION

By: 
E. H. Hawes, II, CEO

Delaware

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I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "NORTH AMERICAN GAMING AND ENTERTAINMENT CORPORATION", FILED IN THIS OFFICE ON THE FOURTH DAY OF FEBRUARY, A.D. 2008, AT 11:07 O'CLOCK A.M.

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Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6357322

DATE: 02-04-08

**CERTIFICATE OF DESIGNATION, RIGHTS,
PRIVILEGES AND PREFERENCES
OF SERIES C CONVERTIBLE PREFERRED STOCK
OF
NORTH AMERICAN GAMING AND ENTERTAINMENT CORPORATION**
a Delaware corporation (the "Company")

Acting pursuant to § 151 of the General Corporation Law of the State of Delaware, does hereby submit the following Certificate of Designation, Rights, Privileges and Preferences of its Series C Convertible Preferred Stock.

FIRST: The name of the Company is North American Gaming and Entertainment Corporation.

SECOND: On January 28, 2008, by unanimous written consent, the Board of Directors of the Company adopted the following resolutions:

WHEREAS the Certificate of Incorporation of the Company authorizes preferred stock consisting of 10,000,000 shares, par value \$0.01 per share, issuable from time to time in one or more series; and

WHEREAS the Board of Directors of the Company is authorized, subject to limitations prescribed by law and by the provisions of the Company's Certificate of Incorporation, as amended, to establish and fix the number of shares to be included in any series of preferred stock and the designation, rights, preferences, powers, restrictions and limitations of the shares of such series; and

WHEREAS it is the desire of the Board of Directors to establish and fix the number of shares to be included in a new series of preferred stock and the designation, rights, preferences and limitations of the shares of such new series;

NOW, THEREFORE, BE IT RESOLVED that pursuant to the authority vested in the Board of Directors by the Company's Certificate of Incorporation, as amended, the Board of Directors hereby establishes, and authorizes the issuance of, a new series of the Company's preferred stock, par value \$0.01 per share, such series to be designated "Series C Convertible Preferred Stock" consisting of five hundred thousand (500,000) shares (the "Series C Preferred Stock"), to have the designation, rights, preferences, powers, restrictions and limitations set forth herein.

1. Designation and Amount. There shall be a series of Preferred Stock of the Company which shall be designated as "Series C Convertible Preferred Stock" (the "Series C Preferred Stock"), having a par value of \$0.01 per share and a preference upon liquidation as specified in Section 4 below. The number of shares constituting the Series C Preferred Stock shall be 500,000 and such number of shares may be decreased by resolutions of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series C Preferred

Stock to a number less than that of the shares then outstanding plus the number of shares issuable upon exercise of outstanding rights, convertible notes, options or warrants or upon conversion of outstanding securities issued by the Company. The Company may issue fractional shares of Series C Preferred Stock.

2. Dividends.

(a) Unless otherwise declared from time to time by the Board of Directors, out of funds legally available thereof, the holders of shares of the outstanding shares of Series C Preferred Stock shall not be entitled to receive dividends.

(b) Dividends shall begin to accrue and be cumulative on outstanding shares of Series C Preferred Stock from the date of issuance. The Board of Directors may fix a record date for the determination of holders of shares of Series C Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 60 days prior to the date fixed for the payment thereof.

(c) The Company shall not declare or pay any dividends in respect of any Junior Security or repurchase, redeem or acquire any shares of common stock of the Company (the "Common Stock"), or any other classes of equity securities of the Company, including any warrants, options or rights to acquire any such equity securities (collectively, "Junior Securities"), or otherwise make a distribution or other payment in respect of any Junior Security, directly or indirectly, in cash, property, assets, rights, securities or other consideration unless, simultaneously with such declaration or payment, the Company shall pay to each holder of Series C Preferred Stock the sum of (i) all accrued but unpaid dividends on such holder's Series C Preferred Stock, and (ii) the amount that such holder of Series C Preferred Stock would be entitled to received if all shares of Series C Preferred Stock had been converted to Common Stock immediately prior to the record date for such payment, at the then current Conversion Rate (as defined in Section 3(a) below).

3. Conversion Rights. The holders of Series C Preferred Stock shall have the following conversion rights (collectively, the "Conversion Rights"):

(a) *Automatic Conversion.* Each issued and outstanding share of Series C Preferred Stock shall automatically convert upon the filing by the Company of an amendment (the "Amendment") to its Certificate of Incorporation, increasing the number of authorized shares of Common Stock to 800,000,000 shares, changing the Company's name and implementing a one-for-ten reverse stock split, into that number of fully paid and nonassessable shares of Common Stock based upon the "Conversion Rate". The Conversion Rate shall initially be equal to 1,218 shares of Common Stock for each share of Series C Preferred Stock. This initial Conversion Rate shall be subject to adjustment as hereinafter provided.

(b) *Stock Reclassifications; Stock Splits, Combinations and Dividends.* If the Common Stock issuable upon the conversion of the Series C Preferred Stock shall be changed into the same or different number of shares of any class or classes of stock,

whether by reclassification, stock split, stock dividend, or similar event, then and in each such event, the Conversion Rate shall be adjusted so that the holder of each share of Series C Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such capital reorganization, reclassification or other change which such holder would have received had its shares of Series C Preferred Stock been converted immediately prior to such capital reorganization, reclassification or other change.

(c) *Capital Reorganization, Merger or Sale of Assets.* If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a subdivision, combination, reclassification or exchange of shares provided for in Section 3(c) above) or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's properties and assets to any other person, or any transaction or series of related transactions in which more than ten percent (10%) of the outstanding voting securities of the Company (on an as converted basis) are sold or assigned (any of which events is herein referred to as a "Reorganization"), then as a part of such Reorganization, the Conversion Rate shall be adjusted so that the holders of the Series C Preferred Stock shall thereafter be entitled to receive upon conversion of the Series C Preferred Stock, the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from such Reorganization, to which such holder would have been entitled if such holder had converted its shares of Series C Preferred Stock immediately prior to such Reorganization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3 with respect to the rights of the holders of the Series C Preferred Stock after the Reorganization, to the end that the provisions of this Section 3 (including adjustment of the number of shares issuable upon conversion of the Series C Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.

(d) *Exercise of Conversion Rights.* From and after the date that the Amendment has been filed, and if for any reason the Series C Preferred Stock has not been automatically converted, the holders of Series C Preferred Stock may exercise their Conversion Rights by telecopying an executed and completed notice (a "Notice of Conversion") to the Company and delivering the original Notice of Conversion and the certificate representing the Series C Preferred Stock by express courier. Each business day on which a Notice of Conversion is telecopied to and received by the Company along with a copy of the originally executed Series C Preferred Stock certificates in accordance with the provisions hereof shall be deemed a "Conversion Date." For purposes hereof, the term "business day" refers the hours between 9:00 a.m. and 5:00 p.m. on any day on which banks are open for business in Dallas, Texas. Provided that the Company has received the original Notice of Conversion and Series C Preferred Stock certificate being so converted, the Company will transmit, or instruct its transfer agent to transmit, the certificates representing shares of Common Stock issuable upon conversion of any share of Series C Preferred Stock (together with the certificates representing the Series C Preferred Stock not so converted) to the holder thereof via express courier, by electronic transfer or otherwise, three business days after the receipt by the Company of the original Series C Preferred Stock Certificate representing the shares being converted. In addition

to any other remedies which may be available to the holders of shares of Series C Preferred Stock, in the event that the Company fails to deliver, or has failed to contact its transfer agent to deliver, such shares of Common Stock within such three (3) business day period, the holder will be entitled to revoke the relevant Notice of Conversion by delivering a notice to such effect to the Company whereupon the Company and the holder shall each be restored to their respective positions immediately prior to delivery of such Notice of Conversion. The Notice of Conversion and Series C Preferred Stock certificates representing the portion of the Series C Preferred Stock converted shall be delivered to the holders at their addresses on file with the Company.

Upon delivery of a Notice of Conversion in proper form, the Series C Preferred Stock covered by such Notice of Conversion shall be deemed to be converted for all purposes, without further action required on the part of the holder thereof or on the part of the Company.

(e) *Lost or Stolen Certificates.* Upon receipt by the Company of evidence of the loss, theft, destruction or mutilation of any Series C Preferred Stock certificate(s), and (in the case of loss, theft or destruction) of indemnity reasonably satisfactory to the Company, and upon the cancellation of the Series C Preferred Stock certificate(s), if mutilated, the Company shall execute and deliver new certificates for Series C Preferred Stock of like tenure and date. However, the Company shall not be obligated to reissue such lost or stolen certificates for shares of Series C Preferred Stock if the holder contemporaneously requests the Company to convert such Series C Preferred Stock into Common Stock.

(f) *Fractional Shares.* The Company will not issue fractional shares of Common Stock upon the conversion of shares of Series C Preferred Stock. Rather, the Company will round the number of shares issuable upon conversion of the Series C Preferred Stock up to the nearest whole share.

(g) *Partial Conversion.* In the event some but not all of the shares of Series C Preferred Stock represented by a certificate or certificates surrendered by a holder are converted, the Company shall execute and deliver to or to the order of the holder, at the expense of the Company, a new certificate representing the number of shares of Series C Preferred Stock which were not converted.

(h) *Reservation of Common Stock.* The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series C Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient or as may be available to effect the conversion of all outstanding shares of the Series C Preferred Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all the then outstanding shares of the Series C Preferred Stock, the Company shall use its best efforts to take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

4. Liquidation, Dissolution or Winding Up.

(a) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Company, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series C Preferred Stock unless, prior thereto, the holders of shares of Series C Preferred Stock shall have received per share, an amount equal to the greater of (i) the par value of the shares of common stock issuable upon conversion, plus the amount of all declared but unpaid dividends and distributions thereon, if any (the "Series C Liquidation Preference") and (ii) the per share consideration then payable to holders of the Common Stock upon such liquidation, whether or not the holders of the Series C Preferred Stock shall have converted their shares.

(b) In the event there are not sufficient assets available to permit payment in full of the Series C Liquidation Preference plus accrued but unpaid dividends, then all of the assets available for distribution shall be distributed ratably to the holders of Series C Preferred Stock in proportion to the amount that would be paid to such holders if such assets were sufficient to permit payment in full.

(c) For purposes of this Section 4, a liquidation, dissolution or winding up of this Company shall be deemed to be occasioned by, or to include (a) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger, consolidation, issuance of new securities or transfer of issued and outstanding securities) that results in the transfer of fifty percent (50%) or more of the outstanding voting power of the Company or (b) a sale or other disposition of all or substantially all of the assets of the Company, unless, in any event, within 30 days after delivery of written notice of any such transaction by the Company to the holders of the Series C Preferred Stock, the holders of at least a majority of the shares of the Series C Preferred Stock then outstanding provide the Company with written notice that such transaction shall not be deemed a liquidation, dissolution or winding up of the Company for purposes of this Section 4. The Company shall give each holder of the Series C Preferred Stock written notice of any transaction referenced in subclauses (a) and (b) of this Section 4(c) no less than 30 days prior to the occurrence thereof.

5. Voting Rights. Except as expressly provided otherwise herein, or as required by law, the holders of shares of Series C Preferred Stock shall vote together as a single class with the holders of the Common Stock, on an as-converted basis.

6. No Reissuance of Series C Preferred Stock. Any share or shares of Series C Preferred Stock acquired by the Company by reason of redemption, purchase, conversion or otherwise shall be cancelled, shall return to the status of authorized but unissued preferred stock of no designated series, and shall not be reissuable by the Company as Series C Preferred Stock.

7. Notices of Record Date. In the event of:

(a) any taking by the Company of a record of the holders of any class of securities of the Company for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for,

purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(b) any capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger of the Company, or any transfer of all or substantially all of the assets of the Company to any other corporation, or any other entity or person, or

(c) any voluntary or involuntary dissolution, liquidation or winding up of the Company,

then, and in each such event the Company shall mail or cause to be mailed to each holder of Series C Preferred Stock a notice specifying: (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right; and a description of such dividend, distribution or right, (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up is expected to become effective; and (iii) the time, if any, that is to be fixed, as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up. Such notice shall be mailed at least ten (10) business days prior to the date specified in such notice on which such action is to be taken.

8. Ranking. The Series C Preferred Stock shall rank senior as to dividends and redemption, and upon liquidation, dissolution or winding up to all other shares of common or preferred stock issued by the Company whether previously or subsequently issued.

9. Transfer and Exchange. Upon surrender of any shares of Series C Preferred Stock at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered Holder of such Series C Preferred Stock or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Series C Preferred Stock or part thereof), the Company shall execute and deliver, at the Company's expense, one or more new shares of Series C Preferred Stock (as requested by the Holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Series C Preferred Stock. Each such new share of Series C Preferred Stock shall be payable to such Person as such Holder may request and shall be substantially in the form specified herein.

10. Amendment.

This Certificate of Designation constitutes an agreement between the Company and the holders of the Series C Preferred Stock. It may be amended by vote of the

Board of Directors of the Company and the holders of a majority of the outstanding shares of Series C Preferred Stock; and further

RESOLVED, that the officers of the Company be, and each hereby is, authorized, empowered and directed to file in the name, and on behalf, of the Company, a "Certificate of Designation, Rights, Privileges and Preferences" relating to such Series C Preferred Stock or such similar document as may be required by the Delaware General Corporation Law, with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed by its President this 28th of January, 2008,

NORTH AMERICAN GAMING AND
ENTERTAINMENT CORPORATION

By: _____

E. H. Hawes, II, President