

Document Number Only

F990000000442

CT CORPORATION SYSTEM

Requestor's Name

660 East Jefferson Street

Address

Tallahassee, FL 32301 222-1092

City

State

Zip

Phone

CORPORATION(S) NAME

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-01/28/99--01001--010

*****87.50 *****87.50

99 JAN 27 PM 4:52

FILED

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

INTERLACHEN PEDIATRICS, INC.

Merging INTO Pediatric Physician Alliance, Inc.

- ☐ Profit
☐ NonProfit
☐ Limited Liability Co.
☐ Foreign

- ☐ Amendment
☐ Dissolution/Withdrawal

- ☒ Merger
☐ Mark

- ☐ Limited Partnership
☐ Reinstatement

- ☐ Annual Report
☐ Reservation

- ☐ Other ucc Filing
☐ Change of R.A.
☐ Fic. Name

☒ Certified Copy

☐ Photo Copies

☒ CUS-2

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☐ After 4:30
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Updater	<i>moj</i>
Verifier	<i>1/28</i>
Acknowledgment	
W.P. Verifier	

1/22

File Second

PLEASE RETURN EXTRA COPIES
FILE STAMPED

JEFFREY D. BUTTERFIELD

DEPT. OF REVENUE
CORPORATION

JAN 28 PM 3:18

RECEIVED



FLORIDA DEPARTMENT OF STATE

Katherine Harris
Secretary of State

*work-in
pick-up*

January 28, 1999

CT CORPORATION SYSTEM
JEFFREY D. BUTTERFIELD
TALLAHASSEE, FL

SUBJECT: INTERLACHEN PEDIATRICS, INC.
Ref. Number: H58723

We have received your document for INTERLACHEN PEDIATRICS, INC. and your check(s) totaling \$97.50. However, the enclosed document has not been filed and is being returned for the following correction(s):

The current name of the entity is as referenced above. Please correct your document accordingly.

For each corporation, the document must contain the date of adoption of the plan of merger or share exchange by the shareholders or by the board of directors when no vote of the shareholders is required.

In the agreement and plan of merger it states that several schedules are attached, but are not attached. Please correct your document accordingly. All dates in the document must be complete.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 487-6908.

Teresa Brown
Corporate Specialist

Letter Number: 499A00003792

*ATTN: TERESA BROWN
PLEASE BACKDATE!
THANK YOU!*

*TERESA: I NEED AN ADDITIONAL
CERTIFIED COPY of MERGER
Filing. THAT WOULD BE
TOTAL of TWO CC AND
ONE COS. PLS CALL
A TOTAL FOR CORPORATION
THANK YOU*

RECEIVED
DIVISION OF CORPORATIONS
JAN 29 1999
M 3:08
BUC

ARTICLES OF MERGER
Merger Sheet

MERGING:

INTERLACHEN PEDIATRICS, INC., a Florida corporation, H58723

INTO

PEDIATRIC PHYSICIAN ALLIANCE, INC., a Delaware corporation,
F99000000442

File date: January 27, 1999

Corporate Specialist: Teresa Brown

**ARTICLES OF MERGER OF
INTERLACHEN PEDIATRICS, INC. WITH AND INTO
PEDIATRIC PHYSICIAN ALLIANCE, INC.**

FILED
99 JAN 27 PM 4:52
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1105 of the Florida Statutes, the undersigned corporations hereby adopt the following Articles of Merger:

ARTICLE I - PLAN OF MERGER

The Agreement and Plan of Merger of Interlachen Pediatrics, Inc., a Florida corporation ("Interlachen Pediatrics"), with and into Pediatric Physician Alliance, Inc., a Delaware corporation ("Pediatric Physician Alliance"), with Pediatric Physician Alliance being the surviving corporation, is set forth in the Agreement and Plan of Merger attached hereto as **Exhibit A** and incorporated herein by reference.

ARTICLE II - ADOPTION OF PLAN OF MERGER

The Agreement and Plan of Merger was approved by the shareholders and by the Board of Directors of Interlachen Pediatrics by resolutions adopted on the 21st day of January, 1999, and was approved by the shareholders and by the Board of Directors of Pediatric Physician Alliance by resolutions adopted on the 21st day of January, 1999.

ARTICLES III - EFFECTIVE DATE OF MERGER

The effective date of the merger shall be as of the date of filing of these Articles of Merger.

Dated this 21st day of January, 1999.

INTERLACHEN PEDIATRICS, INC.

By: _____
Thomas A. Lacy, M.D., President

PEDIATRIC PHYSICIAN ALLIANCE, INC.

By: _____
Name: James L. Brown
Title: President

**ARTICLES OF MERGER OF
INTERLACHEN PEDIATRICS, INC. WITH AND INTO
PEDIATRIC PHYSICIAN ALLIANCE, INC.**

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The effective date of the merger shall be as of the date of filing of these Articles of Merger.

Dated this 21st day of January, 1999.

INTERLACHEN PEDIATRICS, INC.

By:  ✓
Thomas A. Lacy, M.D., President

PEDIATRIC PHYSICIAN ALLIANCE, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of December 1, 1998 by and between PEDIATRIC PHYSICIAN ALLIANCE, INC., a Delaware corporation ("Buyer"), INTERLACHEN PEDIATRICS, P.A., a Florida professional association (the "Seller"), and the owners of Seller Common Stock (as defined below) ~~Interlachen Pediatrics, P.A.~~ now known as Interlachen Pediatrics, Inc. (the "Owners").

WITNESSETH:

WHEREAS, the Seller owns and operates a pediatric group medical practice business located in the State of Florida; and

WHEREAS, the Boards of Directors of each of Buyer and Seller have determined that a business combination by and between Buyer and Seller is in the best interests of their respective companies and stockholders and presents an opportunity for their respective companies to achieve long term strategic objectives and, accordingly, have agreed to effect the Merger (as defined below) upon the terms and subject to the terms and conditions of this Agreement; and

WHEREAS, this Agreement provides for the merger of Seller with and into Buyer (the "Merger"); and

WHEREAS, it is the intention of the parties to this Agreement that the Merger shall qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code for federal income tax purposes; and

WHEREAS, immediately prior to the Merger, certain of Seller's assets and liabilities are to be contributed to a wholly owned subsidiary of Seller (the "Newco"), including physician employment agreements, patient records, Medicare and Medicaid employer identification numbers, pension, profit-sharing and welfare benefit plans, provider contracts and certain obligations to pay expenses, and the shares of the Newco are to be distributed by Seller to the Owners by dividend; and

WHEREAS, Buyer has entered into or intends to enter into an Agreement and Plan of Merger or other acquisition agreements (collectively, the "Other Acquisition Agreements") with certain other pediatric and/or neonatal physician practices (together with Seller and Buyer, the "Founding Companies") that will be identified in the private placement memorandum referred to in Section 4.15 of the Uniform Terms (as defined below);

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. UNIFORM TERMS AND CONDITIONS

1.1 Incorporation by Reference. The Pediatric Physician Alliance, Inc. Uniform Terms and Conditions ~~attached hereto~~ (the "Uniform Terms") are hereby made a part of and incorporated herein as if fully restated herein. Capitalized terms not defined herein shall have the meanings provided in the Uniform Terms.

1.2 Definition of "Practice Territory". As used in Section 4.7 of the Uniform Terms, the term "Practice Territory" shall mean the geographic territory defined as a seven and one-half (7.5) mile radius of any facility from which Seller currently provides medical services.

1.3 Threshold Amount for Indemnification Claims. The "threshold amount" referred to in Section 8.4 of the Uniform Terms shall be \$50,000.

1.4 Special Amendments to Uniform Terms.

(a) Notwithstanding anything in this Agreement (including the Uniform Terms) to the contrary: (i) upon and subject to consummation of the transactions contemplated hereby, Buyer will reimburse Seller and/or the Owners for all reasonable legal fees incurred and paid by Seller and the Owners in connection with the transactions contemplated hereby, but not in excess of \$20,000; and (ii) Buyer will reimburse Seller and/or the Owners for all out-of-pocket accounting fees actually incurred and paid by Seller and/or the Owners in connection with obtaining audited financial statements of Seller as of and for the year ended December 31, 1997.

(b) The representations and warranties of the parties hereto set forth in Articles I, II and III of the Uniform Terms shall be deemed to be given as of June 26, 1998 (as opposed to the date of this Agreement), except that any representations or warranties that expressly refer to a state of facts existing as of a specified date shall continue to speak as of such specified date.

II. TERMS OF MERGER

2.1 The Merger.

(a) Subject to the terms and conditions of this Agreement, at the Effective Time, Seller shall be merged with and into Buyer (the "Merger") in accordance with the provisions of the Florida Business Corporation Act (the "Florida Act") and the Delaware General Corporation Law (the "Delaware Act"). Buyer shall be the surviving corporation resulting from the Merger and shall continue to be governed by the laws of the State of Delaware. The Merger shall be consummated pursuant to the terms of this Agreement which has been or will be approved and adopted by the respective boards of directors of Seller and Buyer.

(b) Subject to the provisions of this Agreement, the parties shall (i) file Articles of Merger (the "Articles of Merger") in accordance with the relevant provisions of the Florida Act, (ii) a Certificate of Merger (the "Certificate of Merger") in accordance with the relevant provisions of the Delaware Act, and (iii) make all other filings or recordings required under the Florida Act or the Delaware Act as soon as practicable on or after the Closing Date in accordance with those respective Acts. The Merger and other transactions contemplated by this Agreement shall become effective on the date and at the time the Articles of Merger are duly filed with the Secretary of State of the State of Florida and the Certificate of Merger is duly filed with the Secretary of State of the State of

Delaware, or at such other time as Buyer and Seller shall agree should be specified in the Articles of Merger and the Certificate of Merger (the "Effective Time").

(c) The Certificate of Incorporation and Bylaws of Buyer in effect immediately prior to the Effective Time shall be the charter and Bylaws of the surviving corporation until otherwise amended or repealed.

(d) The directors and officers of Buyer immediately prior to the Effective Time shall be the directors and officers of the surviving corporation; each to hold office in accordance with the Certificate of Incorporation and Bylaws of the surviving corporation.

(e) The parties intend to adopt this Agreement as a tax-free plan of reorganization under Section 368(a)(1)(A) of the Internal Revenue Code.

2.2 Conversion of Shares. Subject to the provisions of this Section 2.2, at the Effective Time, by virtue of the Merger and without any action on the part of the parties hereto or the shareholders of any of the parties hereto:

(a) Each share of Common Stock, par value \$1.00 per share, of Seller ("Seller Common Stock") that is owned by Seller or by any subsidiary of Seller shall automatically be canceled and retired and shall cease to exist, and no shares of Common Stock, par value \$.001 per share, of Buyer ("Buyer Common Stock"), cash or other consideration shall be delivered in exchange therefor.

(b) All shares of Seller Common Stock (excluding shares canceled pursuant to Section 2.2(a) above) issued and outstanding at the Effective Time shall cease to be outstanding and shall be converted into and exchanged for the right to receive the Acquisition Consideration (as such term is defined below) as provided in Section 2.3 below. ~~As provided in Section 2.3 below.~~

2.3 Acquisition Consideration.

(a) Subject to adjustment as provided in Section 2.3(b) below, the total consideration (the "Acquisition Consideration") for the exchange of the Seller Common Stock in the Merger shall be:

(i) 179,407 shares of Buyer Common Stock; plus

(ii) \$897,036 in cash; plus

(iii) an amount equal to 85% of the net book value, as shown on the "Closing Date Balance Sheet" (as defined below), of the property and equipment owned by the Seller at the Effective Time other than the computer and telephone equipment and related property acquired with the proceeds of that certain loan from First Union National Bank, dated December 22, 1997, in the original principal amount of \$90,000, which amount shall be paid 50% in cash and 50% in Buyer Common Stock valued at \$5.00 per share

(b) The cash portion of the Acquisition Consideration provided for in Section 2.3(a) above shall be reduced by the amount of the Accrued Liabilities and Funded Debt, ~~as defined below.~~

██████████ The total amount of Acquisition Consideration as so reduced shall be payable in the Merger to the Owners on a pro rata basis. Payment of the Acquisition Consideration provided for in Section 2.3(a)(i) and (ii) above shall be made at Closing. Payment of the Acquisition Consideration provided for in Section 2.3(a)(iii) shall be made on the next business day following the preparation (to the mutual satisfaction of the parties) of a balance sheet reflecting the financial position of the Seller as of immediately prior to the Effective Time on the Closing Date, which shall be prepared in accordance with generally accepted accounting principles consistently applied (the "Closing Date Balance Sheet").

(c) Notwithstanding the foregoing, in the event that Buyer calculates the purchase price or merger or acquisition consideration for any of the other Founding Company's medical practice, business and/or assets pursuant to a formula more favorable to such other Founding Company than the formula utilized to calculate the Acquisition Consideration payable hereunder, including utilizing an assigned value of Buyer Common Stock for purposes of determining the number of shares of Buyer Common Stock to be delivered thereunder which is lower than \$5.00 per share, the Acquisition Consideration otherwise payable hereunder (or the number of shares of Buyer Common Stock to be issued hereunder) shall be adjusted so as to conform with such more favorable formula or assigned value of Buyer Common Stock; provided, however, that, solely with respect to the assigned value of Buyer Common Stock, this provision shall only apply with respect to other Founding Companies whose purchase price or merger or acquisition consideration is to be paid 50% in cash and 50% in stock.

2.4 Newco. On the Closing Date prior to the Effective Time:

(a) The Seller shall contribute to the Newco all of those assets, contracts, properties and rights of Seller listed as Medical Assets ██████████ (the "Medical Assets") solely in exchange for shares of common stock of Newco (the "Newco Shares");

(b) Newco shall assume all of those liabilities and obligations of Seller listed as Medical Liabilities ██████████ (the "Medical Liabilities") and shall thereafter satisfy the Medical Liabilities in accordance with their terms; and

(c) Seller and Newco shall have entered into a Management Service Agreement ██████████ (the "Management Service Agreement"),

(d) Seller shall then distribute the Newco Shares to the Owners on a pro rata basis in the form of a dividend.

2.5 No Benefit to Third Parties. This Agreement is not intended to benefit, and shall not be construed to benefit, any person other than the parties hereto or create any third-party beneficiary right for any other person.

2.6 Closing. Subject to the other terms of this Agreement, including the Uniform Terms, the Closing shall take place at the offices of Alston & Bird LLP, Atlanta, Georgia, at 10:00 a.m. local time, as soon as possible after all conditions set forth in Articles V and VI of the Uniform Terms and Articles IV and V of this Agreement are satisfied or waived, or on such other date or at such other place and time as is mutually agreed upon by the parties.

2.7 Exchange of Shares. As of Closing, the Owners shall surrender their certificates representing shares of Seller Common Stock in exchange for the consideration provided for in this Agreement. Until surrendered for exchange in accordance herewith, each such certificate theretofore representing shares of Seller Common Stock shall from and after the Effective Time represent only the right to receive the consideration provided for in this Agreement in exchange therefor. No certificates representing fractional shares of Buyer Common Stock will be issued as a result of the Merger. Each holder of shares of Seller Common Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Buyer Common Stock shall receive, in lieu thereof, cash (without interest) at Closing in an amount equal to such fractional part of a share of Buyer Common Stock multiplied by \$5.00.

2.8 Cash on Hand. The parties agree that immediately prior to Closing, all cash and cash equivalents of Seller then on hand shall be paid by Seller to or among Seller's employees in such manner as Seller shall determine in its sole discretion and/or shall be distributed or disbursed among the Owners or otherwise, as determined by Seller in its sole discretion.

III. ADDITIONAL AGREEMENTS

3.1 Risk of Loss. Seller shall retain all risk of condemnation, destruction, loss or damage due to fire or other casualty from the date of this Agreement until the Closing. If the condemnation, destruction, loss, or damage is such that the operation of Seller is materially interrupted or curtailed or any of the assets of Seller are materially affected, then Buyer shall have the right to terminate this Agreement. If Buyer nonetheless elects to close, Seller shall remit all condemnation proceeds or third party insurance proceeds to Buyer and the Acquisition Consideration shall be adjusted at the Closing to reflect such condemnation, destruction, loss or damage to the extent that insurance or condemnation proceeds are not sufficient to cover such destruction, loss or damage; provided, however, that if any such adjustment would cause the Acquisition Consideration to be reduced by more than 10%, Seller shall have the right to terminate this Agreement.

3.2 Filings with State Offices. Upon the terms and subject to the conditions of this Agreement, Seller and Buyer shall execute and file the Articles of Merger with the Secretary of State of the State of Florida and the Certificate of Merger with the Secretary of State of the State of Delaware in connection with the Closing.

3.3 Owner Covenant. Each Owner acknowledges and agrees that such Owner does not have and will not claim any individual interest in the assets, property or rights of Seller other than as contemplated in respect of the Medical Assets and Medical Liabilities and, after the Closing, will claim no further equity or other interest in Seller or its assets, properties or rights.

3.4 Tax Matters. The Owners understand that (i) while it is the mutual intention of the parties hereto that the Merger qualify as a tax-free plan of reorganization under Section 368(a) of the Code, Buyer makes no representation or warranty regarding the tax treatment of this Agreement or the Merger, (ii) the Closing is not subject to a condition that an Internal Revenue Service ruling be obtained as to the federal income tax consequences of this Agreement or the Merger, and (iii) Seller and the Owners shall look to their respective advisors for advice concerning the tax consequences of this Agreement and the Merger.

3.5 Consents. Seller and the Owners shall use all commercially reasonable best efforts to obtain all necessary consents prior to the Closing, and to the extent any such necessary consent has

not been obtained, Seller and the Owners shall continue their efforts to obtain such consent after the Closing. In order, however, that the full value of Seller's contracts and agreements may be realized, at Buyer's request, direction and expense, subject in each case to Buyer's performance under the contract or agreement in question the Owners and Seller shall take such action as shall be reasonably necessary in order to preserve for the benefit of Buyer and Seller the rights and obligations of Seller under such contracts and agreements. Notwithstanding anything in this Agreement to the contrary but subject in each case to the other provisions of this Section 3.5 and to the provisions of Section 3.7 below and Sections 2.13(c) and 4.16 of the Uniform Terms, nothing in this Agreement shall be construed as an attempt to assign or a requirement for Seller or the Owners to assign any "Non-Assignable Rights" or any "Non-Assignable Contracts" (as such terms are defined in Section 2.13(c) of the Uniform Terms), unless, in the case of the Non-Assignable Contracts, the required consent shall be received.

3.6 P.A. Conversion. Prior to the Closing, Seller and the Owners shall restructure Seller in a manner that (i) will terminate Seller's status as a professional association under the laws of the State of Florida, and (ii) will result in Seller being a for profit business corporation under the laws of the State of Florida.

3.7 Conditions to Closing. Seller, the Owners and Buyer agree to use their commercially reasonable best efforts to satisfy the closing conditions set forth in Articles IV and V of this Agreement and Articles V and VI of the Uniform Terms by the respective dates indicated herein or therein (or, if sooner, the Closing Date) and, if not by such time, as soon thereafter as possible, provided, however, that the obligations of the parties under this Section 3.7 shall terminate upon any termination of this Agreement pursuant to Article VII of the Uniform Terms and Conditions.

IV. SUPPLEMENTAL CONDITIONS TO OBLIGATIONS OF BUYER

In addition to the conditions contained in Article V of the Uniform Terms, the obligation of Buyer to consummate the Transactions is subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

4.1 Liabilities. The liabilities ~~XXXXXXXXXX~~ shall have been satisfied prior to closing, but not out of Seller's assets.

4.2 Medical Liabilities. Seller shall have contributed the Medical Assets to the Newco and the Newco shall have assumed the Medical Liabilities.

4.3 Approval of Seller and the Owners. The Board of Directors of Seller and the Owners shall have approved the Merger in accordance with the requirements of the Florida Act and the charter and bylaws of Seller, and Seller shall have provided Buyer certified copies of such resolutions.

4.4 [Intentionally Left Blank.]

4.5 Termination of Agreements. The Owners and Seller shall have terminated all shareholder agreements and similar agreements with respect to the stock of Seller and all employment or other agreements between them and Seller and between Seller and its other physician employees and non-physician medical employees contemplated to be employed by Newco pursuant to the Management Service Agreement.

4.6 No Dissenting Shareholders. No holder of shares of voting capital stock of Seller shall have perfected his, her or its dissenters' rights of appraisal in accordance with and as contemplated by the Florida Act.

4.7 Management Service Agreement. Seller and Newco shall have executed and delivered the Management Service Agreement.

4.8 Physician Employment Agreements. Each Owner shall have executed and delivered a Physician Employment Agreement with Newco [REDACTED], and Newco shall have executed and delivered each such Physician Employment Agreement. Further, each non-Owner physician employee of Seller shall have executed and delivered a Physician Employment Agreement with Newco [REDACTED] and Newco shall have executed and delivered each such non-Owner Physician Employment Agreement.

4.9 Security Agreement. Newco shall have executed and delivered a Security Agreement with Buyer [REDACTED].

4.10 Stockholders Agreement. Each Owner shall have executed and delivered a Stockholders Agreement with Buyer [REDACTED] (the "Stockholders Agreement").

V. SUPPLEMENTAL CONDITIONS TO OBLIGATIONS OF SELLER
AND THE OWNERS

In addition to the conditions contained in Article VI of the Uniform Terms, the obligation of Seller and the Owners to consummate the Transactions is subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

5.1 Approval of Buyer. The Board of Directors of Buyer and, to the extent required by applicable law, the stockholders of Buyer shall have approved the Merger in accordance with the requirements of the Delaware Act and the certificate of incorporation and bylaws of Buyer. Buyer shall have provided Seller certified copies of such resolutions

5.2 [Intentionally Left Blank.]

5.3 [Intentionally Left Blank.]

5.4 [Intentionally left blank]

5.5 Dissenter's Rights. No holder of shares of capital stock of any of the Founding Companies shall have perfected his, her or its statutory dissenter's rights of appraisal (if any) in accordance with and as contemplated by the laws of the jurisdiction in which any of such Founding Companies are organized.

5.6 Appointment to Clinical Board At the written request of Seller prior to the Closing, Buyer shall take such actions as shall be necessary to place on its Clinical Board a physician

shareholder of Seller, as designated by Seller before Closing, for a term of at least one year from Closing.

VI. MISCELLANEOUS

6.1 Notices. The addresses for notices in accordance with Section 10.1 of the Uniform Terms for Seller and the Owners are as follows:

If to Seller:

Interlachen Pediatrics, P.A., now known as Interlachen Pediatrics, Inc.
846 Lake Howell Road
Maitland, Florida 32751
Attn: Thomas A. Lacy, M.D.
Phone: (407) 767-2477
Fax: (407) 834-9822

With a copy to:

Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.
800 N. Magnolia Avenue, Suite 1500
Orlando, Florida 32803
Attn: Alan H. Daniels, Esq.
Phone: (407) 841-1200
Fax: (407) 423-1831

If to the Owners:

Interlachen Pediatrics, P.A., now known as Interlachen Pediatrics, Inc.
846 Lake Howell Road
Maitland, Florida 32751
Phone: (407) 767-2477
Fax: (407) 834-9822

6.2 Owner's Representative: The Owners' Representative for purposes of Section 10.2 of the Uniform Terms shall be Thomas A. Lacy, M.D., who shall serve as the Owner's Representative under the terms of said Section 10.2 of the Uniform Terms.

6.3 Termination of Previous Agreement and Plan of Merger. The parties hereto are also parties to an Agreement and Plan of Merger, dated as of June 26, 1998, providing for the merger of Seller with and into Buyer. All of such parties agree that such other Agreement and Plan of Merger is hereby terminated in its entirety and shall hereafter be null and void and superseded by this Agreement.

[Signatures Contained On Next Page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

BUYER:

PEDIATRIC PHYSICIAN ALLIANCE, INC.,

By: _____

Name:

Title:

Attest:

By: _____

Name:

Title:

SELLER:

INTERLACHEN PEDIATRICS, P.A., now known as
INTERLACHEN PEDIATRICS, INC.

✓ By: Thomas A. Lacy

Name: Thomas A. Lacy

Title: President

Attest:

✓ By: Lisa M. Hayman

Name: LISA M. HAYMAN

Title: Administrator

OWNERS:

Brenda B. Holson, M.D.
Brenda B. Holson, M.D.

✓ Anne K. VanWert, M.D.
Anne K. VanWert, M.D.

✓ Thomas A. Lacy, M.D.
Thomas A. Lacy, M.D.

✓ Samuel N. Smith, III, D.O.
Samuel N. Smith, III, D.O.

✓ Thomas A. Fisk, M.D.
Thomas A. Fisk, M.D.

✓ Kenneth Novick, M.D.
Kenneth Novick, M.D.

AMENDMENT TO
AGREEMENT AND PLAN OF MERGER

THIS AMENDMENT TO AGREEMENT AND PLAN OF MERGER (this "Amendment") is entered into as of January 27, 1999 by and between PEDIATRIC PHYSICIAN ALLIANCE, INC., a Delaware corporation ("Buyer"), INTERLACHEN PEDIATRICS, P.A., a Florida professional association (the "Seller"), and the owners of Seller Common Stock who are signatories hereto (the "Owners"). → now known as Interlachen Pediatrics, Inc.

WITNESSETH:

WHEREAS, the Seller, Buyer and the Owners entered into a certain Agreement and Plan of Merger dated December 20, 1998 (the "Agreement"); and

WHEREAS, the parties desire to amend certain provisions contained in the Agreement.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Unless otherwise defined herein, all capitalized terms in this Amendment shall have the meaning ascribed to them in the Agreement.
2. Section 7.2(d) of the Uniform Terms and Conditions is hereby amended by deleting "January 4, 1999" and substituting therefore "January 31, 1999."
3. Section 2.3(a) of the Agreement is hereby amended by deleting clauses (i), (ii) and (iii) and substituting the following:
 - (i) 251,903 shares of Buyer Common Stock; plus
 - (ii) \$764,636 cash; plus
 - (iii) Buyer's promissory notes in the aggregate amount of \$200,000; plus
 - (iv) an amount equal to 85% of the net book value, as shown on the "Closing Date Balance Sheet" (as defined below), of the property and equipment owned by the Seller at the Effective Time other than the computer and telephone equipment and related property acquired with the proceeds of that certain loan from First Union National Bank, dated December 22, 1997, in the original principal amount of \$90,000, which amount shall be paid 50% in cash and 50% in Buyer Common Stock valued at \$3.75 per share.

4. The Stockholders Agreement ~~amended to the Agreement to Purchase~~ shall be amended to expand the definition of Restricted Common Stock (as defined therein) to include (i) any options for Buyer Common Stock that are to be granted as Acquisition Consideration, (ii) any options for Buyer Common Stock that may be granted to any of the Owners in the future, and (iii) any shares of Buyer Common Stock issued upon the exercise of any such option.

5. To the extent any such change does not effect the Acquisition Consideration, the Owners hereby authorize the Owners' Representative to make any and all such modifications and amendments to the Transaction Documents as such representative may deem necessary and appropriate for purposes of consummating the transactions contemplated by the Agreement.

6. To the extent that any of the terms and provisions of the Agreement and the Uniform Terms and Conditions are effected by this Amendment, such terms and provisions shall be deemed to be amended hereby to the extent necessary to make the same consistent with this Amendment.

7. Each of the Owners hereby acknowledges that he/she has received and reviewed to his/her satisfaction a copy of the January 19, 1999 Amendment to the Confidential Private Placement Memorandum dated December 1, 1998.

8. Each reference that is made in the Agreement or any other writing shall hereafter be construed as a reference to the Agreement as amended hereby. Except as herein otherwise specifically provided, all provisions of the Agreement shall remain in full force and effect and be unaffected hereby.

9. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

10. In the event any provision of this Amendment conflicts with a provision of the Closing Agreement among the parties that will be entered into on or about the effective date of the Merger, the provisions of this Amendment shall control.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

BUYER:

PEDIATRIC PHYSICIAN ALLIANCE, INC.

Attest:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

SELLER:

INTERLACHEN PEDIATRICS, P.A., now known as
INTERLACHEN PEDIATRICS, INC.

Attest:

By: Lisa N. Harman ✓
Name: Lisa N. Harman
Title: Administrator

By: Thomas A. Lacy ✓
Name: Thomas A. Lacy
Title: President

OWNERS:

Brenda B. Holson, M.D.
Brenda B. Holson, M.D.

✓ Anne K. VanWert, M.D.
Anne K. VanWert, M.D.

✓ Thomas A. Lacy, M.D.
Thomas A. Lacy, M.D.

✓ Samuel N. Smith, III, D.O.
Samuel N. Smith, III, D.O.

✓ Thomas A. Fisk

Thomas A. Fisk, M.D.

✓ Kenneth Novick

Kenneth Novick, M.D.