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ACCOUNT NO. : 072100000032

REFERENCE : 913634 5011226

AUTHORIZATION

Patricia Pigott

COST LIMIT : \$ 87.50

ORDER DATE : August 3, 1998

ORDER TIME : 3:30 PM

ORDER NO. : 913634-005

CUSTOMER NO: 5011226

CUSTOMER: Ms. Catherine M. Peck
Gray Harris & Robinson
S.e. Bank Building, Suite 1200
201 E. Pine Street
Orlando, FL 32801

FILED
98 AUG -3 PM 4:15
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

DOMESTIC AMENDMENT FILING

500002606275--7

NAME: AUTONOMOUS TECHNOLOGIES
CORPORATION

EFFECTIVE DATE:

XX ARTICLES OF AMENDMENT
 RESTATED ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY
 PLAIN STAMPED COPY
 CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Jeanine Reynolds

EXAMINER'S INITIALS:

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DIVISION OF CORPORATION

JR 8/4

**ARTICLES OF AMENDMENT TO THE
THIRD AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
AUTONOMOUS TECHNOLOGIES CORPORATION**

WHEREAS, no shares of Convertible Preferred Stock, Series I, have been issued, the undersigned, Richard C. Capozza, President of Autonomous Technologies Corporation, a Florida corporation (the "*Corporation*") hereby executes the following Amendment to the Third Amended and Restated Articles of Incorporation (the "*Articles of Incorporation*") of the Corporation pursuant to F.S. 607.0602:

ARTICLE I: Name. The name of the Corporation is Autonomous Technologies Corporation.

ARTICLE II: Amendment. The Articles of Incorporation of the Corporation are hereby amended as follows:

(a) Paragraph (5)(a)(iii) of Article IV is amended in its entirety to read as follows:

5. Conversion.

a. Conversion Elections.

(iii) If on any Conversion Date prior to the exercise of the Option, the Conversion Price then in effect is such that the aggregate number of shares of Common Stock that would be issuable upon the conversion of the outstanding Initial Shares, together with any shares of Common Stock previously issued upon conversion of Initial Shares would equal or exceed 1,750,000 shares of Common Stock, the Corporation shall redeem, from funds legally available therefore at the time of such redemption, such Holder's Surplus Amount of the Initial Shares of Series I Preferred Stock subject to such Conversion Notice at a price per share equal to the product of (i) the average Per Share Market Value for the five Trading Days immediately preceding (x) the Conversion Date or (y) the date of payment in full by the Corporation of such redemption price, whichever is greater, and (ii) the Conversion Ratio calculated on the Conversion Date. If the Corporation fails for any reason to pay the redemption price within seven (7) days after the Conversion Date, the Corporation will pay interest on such redemption price at a rate of 15% per annum to the converting Holder, accruing from the Conversion Date until the redemption price plus any accrued interest thereon is paid in full. The entire redemption price, including interest thereon, shall be paid in cash. "*Per Share Market Value*" means on any particular date (a) the lowest trading price per share of the Common Stock on such date on the Nasdaq National Market or other stock exchange or quotation system on which the Common Stock is then listed or if there is no such price on such date, then the lowest trading price on such exchange or quotation system on the date nearest preceding such date, or (b) if the Common

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Stock is not listed then on the Nasdaq National Market or any stock exchange or quotation system, the lowest trading price for a share of Common Stock in the over-the-counter market, as reported by the Nasdaq Stock Market or in the National Quotation Bureau Incorporated or similar organization or agency succeeding to its functions of reporting prices), or (c) if the Common Stock is not then reported by the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), then the average of the lowest "*Pink Sheet*" quotes for the relevant conversion period, as determined in good faith by the Holder, or (d) if the Common Stock is not then publicly traded the fair market value of a share of Common Stock as determined by a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Corporation) (an "*Appraiser*") selected in good faith by the Holders of a majority in interest of the shares of the Series I Preferred Stock; *provided*, that the Corporation, after receipt of the determination by such Appraiser, shall have the right to select an additional Appraiser, in which case, the fair market value shall be equal to the average of the determinations by each such Appraiser. "*Trading Day*" means (a) a day on which the Common Stock is traded on the Nasdaq National Market or other stock exchange or market on which the Common Stock has been listed, or (b) if the Common Stock is not listed on the Nasdaq National Market or any stock exchange or market, a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (c) if the Common Stock is not quoted on the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding its functions of reporting prices); *provided*, that in the event that the Common Stock is not listed or quoted as set forth in (a), (b) and (c) hereof, then Trading Day shall mean any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

(b) The following paragraph shall be added as paragraph (5)(a)(iv) of Article IV:

5. Conversion.

a. Conversion Elections.

(iv) If on any Conversion Date subsequent to the exercise of the Option, (A) the Common Stock is then listed for trading on the Nasdaq National Market or the American Stock Exchange, or if the rules of the Nasdaq Stock Market, Inc. are hereafter amended to extend or adopt rules similar to Rule 4460(i) promulgated thereby (or any successor or replacement provision thereof, the "*20% Rule*") to the Nasdaq SmallCap Market or over-the-counter market and the Corporation's Common Stock is listed for trading on such market or exchange, (B) the 20% Rule is applicable on such Conversion Date, (C) the Conversion Price then in effect is such that the aggregate

number of shares of Common Stock that would then be issuable upon conversion of all outstanding shares of Series I Preferred Stock, together with any shares of Common Stock previously issued upon conversion of Series I Preferred Stock would equal or exceed 20% of the number of shares of Common Stock outstanding on the Original Issue Date (the "*Issuable Maximum*"), and (D) the Corporation has not previously obtained Shareholder Approval (as defined below), then the Corporation shall issue to any Holder so requesting conversion of Series I Preferred Stock its pro rata portion of the Issuable Maximum in the same ratio that the number of shares of Series I Preferred Stock held by any such Holder bears to all shares of Series I Preferred Stock then outstanding and, with respect to any shares of Common Stock that otherwise would have been issuable to such Holder in respect of the Conversion Notice at issue hereunder in excess of such Holders pro rata portion of the Issuable Maximum (the "*Surplus Amount*"), the Corporation shall have the option to either (1) as promptly as possible, but in no event later than 90 days after such Conversion Date, convene a meeting of the holders of the Common Stock and use its reasonable efforts (which may include, among other things, hiring a proxy solicitor) to obtain the Shareholder Approval and the approval of the Corporation's Board of Directors or (2) redeem, from funds legally available therefor at the time of such redemption, such Holder's Surplus Amount of the Series I Preferred Stock subject to such Conversion Notice at a price per share equal to the product of (i) the average Per Share Market Value for the five Trading Days immediately preceding (x) the Conversion Date or (y) the date of payment in full by the Corporation of such redemption price, whichever is greater, and (ii) the Conversion Ratio calculated on the Conversion Date; *provided*, that if the Corporation has elected to obtain Shareholder Approval under clause (1) above, the Holders of a majority of the outstanding shares of Series I Preferred Stock may request, in lieu of such meeting, that the Corporation redeem each Holder's Surplus Amount as set forth herein and *provided*, further that if the Corporation fails for any reason to obtain such Shareholder Approval within the time period set forth in (1) above, the Corporation shall be obligated to redeem the Series I Preferred Stock not converted as a result of the provisions of this Section in accordance with the provisions of clause (2) above, and in such case the interest contemplated by the immediately succeeding sentence shall be deemed to accrue from the Conversion Date. If the Holder has requested that the Corporation redeem shares of Series I Preferred Stock pursuant to this Section and the Corporation fails for any reason to pay the redemption price under clause (2) above within seven days after the Conversion Date, the Corporation will pay interest on such redemption price at a rate of 15% per annum to the converting Holder, accruing from the Conversion Date until the redemption price plus any accrued interest thereon is paid in full. The entire redemption price, including interest thereon, shall be paid in cash. "*Shareholder Approval*" means the approval by a majority of the total votes cast on the proposal, in person or by proxy, at a meeting of the shareholders of the Corporation held in accordance with the Corporation's Articles of Incorporation and bylaws, of the issuance by the Corporation of shares of Common Stock exceeding the Issuable Maximum as a consequence of the conversion of Series I Preferred Stock into Common Stock at a price less than the greater of the book or market value on the Original Issue Date as and to the extent required pursuant to Rule 4460(i) of the

Nasdaq Stock Market or Rule 713 of the American Stock Exchange (or any successor or replacement provision thereof), as applicable.

ARTICLE III: This amendment to the Third Amended and Restated Articles of Incorporation was adopted on July 20, 1998, pursuant to resolutions adopted by the board of directors of the Corporation.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Amendment to the Third Amended and Restated Articles of Incorporation, this 31 day of July, 1998.


Autonomous Technologies Corporation

By: _____


Richard C. Capozza, President

CERTIFICATE OF ACCEPTANCE AS REGISTERED AGENT

Having been named as the registered agent in the Third Amended and Restated Articles of Incorporation of Autonomous Technologies Corporation, I hereby accept and agree to act in this capacity.


William A. Grimm

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