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# Florida Department of State

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# BASIC AMENDMENT

MEDMUNDO.COM, INC.

Certificate of Status	0
Certified Copy	1
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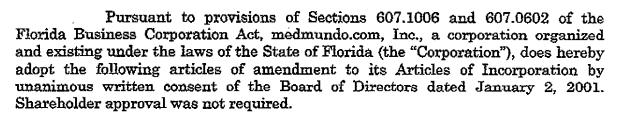
#### ARTICLES OF AMENDMENT

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#### ARTICLES OF INCORPORATION

-OF-

#### MEDMUNDO.COM, INC.



#### ARTICLE III

Article III of the Articles of Incorporation of the Corporation is hereby amended by inserting the following words at the end of such article:

- C. Description and Designation of Series A Convertible Preferred Stock.
- 1. <u>Designation</u>. A total of 5,464,481 shares of the Corporation's Preferred Stock, \$0.001 par value, shall be designated as "Series A Convertible Preferred Stock." As used herein, the term "Preferred Stock" used without references to the Series A Convertible Preferred Stock means the shares of Series A Convertible Preferred Stock and the shares of any series of authorized Preferred Stock of the Corporation issued and designated from time to time by a resolution or resolutions of the Board of Directors, share for share alike and without distinction as to class or series, except as otherwise expressly provided for in this Articles of Amendment or as the context otherwise requires.
- 2. <u>Dividends</u>. The holders of record of shares of the Series A Convertible Preferred Stock shall be entitled to receive out of funds legally available therefor, dividends at the same rate as dividends (other than dividends paid in additional shares of Common Stock) are paid with respect to the Common Stock (treating each share of Series A Convertible Preferred Stock as being equal to the number of shares of the Corporation's common stock, \$0.001 par value (the "Common Stock") (including fractions of a share) into which each share of Series A Convertible Preferred Stock is then convertible).
  - 3. Liquidation, Dissolution or Winding Up.
- (a) <u>Treatment at Sale, Liquidation, Dissolution or Winding Up</u>. In the event of any liquidation, dissolution or winding up of the Corporation, whether



voluntary or involuntary, before any distribution or payment is made to any holders of any shares of Common Stock or any other class or series of capital stock of the Corporation designated to be junior to the Series A Convertible Preferred Stock, the holders of shares of Series A Convertible Preferred Stock shall be entitled to be paid first out of the assets of the Corporation available for distribution to holders of the Corporation's capital stock whether such assets are capital, surplus or earnings, (i) an amount equal to \$0.915 per share of Series A Convertible Preferred Stock (which amount shall be subject to equitable adjustment whenever there shall occur a stock dividend, stock split, combination, reorganization, recapitalization, reclassification or other similar event involving the Series A Convertible Preferred Stock) plus any dividends accrued or declared but unpaid on such shares (such amount, as so determined, is referred to herein as the "Series A Liquidation Value" with respect to such shares), and (ii) the amount that would have been received by the holders of the Series A Convertible Preferred Stock on an as converted basis in connection with such liquidation, dissolution or winding up of the Corporation, after payment of the Series A Liquidation Value (the "Common Equivalent Amount"). After payment has been made to the holders of the Series A Convertible Preferred Stock the Series A Liquidation Amount and the Common Equivalent Amount, and after payment has been made to the holders of any series of Preferred Stock designated to be senior to, or on a parity with, the Series A Convertible Preferred Stock of the full liquidation preference to which such holders shall be entitled, the remaining assets shall be distributed among the holders of Common Stock on a pro-rata basis and the holders of the Series A Convertible Preferred Stock shall not be entitled to share therein.

- (b) Insufficient Funds. If upon such liquidation, dissolution or winding up the assets or surplus funds of the Corporation to be distributed to the holders of shares of Series A Convertible Preferred Stock and any other then-outstanding shares of the Corporation's capital stock ranking on a parity with respect to payment on liquidation with the Series A Convertible Preferred Stock (such shares being referred to herein as the "Series A Parity Stock") shall be insufficient to permit payment to such respective holders of the full Series A Liquidation Value, the full Common Equivalent Amount and all other preferential amounts payable with respect to the Series A Convertible Preferred Stock and such Series A Parity Stock, if any, then the assets available for payment or distribution to such holders shall be allocated among the holders of the Series A Convertible Preferred Stock and such Series A Parity Stock, pro rata, in proportion to the full respective preferential amounts to which the Series A Convertible Preferred Stock and such Series A Parity Stock are each entitled.
- (c) <u>Certain Transactions Treated as Liquidation</u>. For purposes of this Section 3, (A) any sale, exchange, conveyance or other disposition of the capital stock of the Corporation in a transaction or series of related transactions, other than pursuant to a venture capital equity financing transaction for the Corporation, in which more than 50% of the voting power of the Corporation is disposed of or shifts, (B) any acquisition of the Corporation by means of merger or other form of

corporate reorganization or consolidation with or into another corporation in which outstanding shares of this Corporation, including shares of Series A Convertible Preferred Stock, are exchanged for securities or other consideration issued, or caused to be issued, by the other corporation or its subsidiary and, as a result of which transaction, the stockholders of this Corporation own 50% or less of the voting power of the surviving entity (other than a re-incorporation transaction), or (C) a sale, transfer or lease (other than a pledge or grant of a security interest to a bona fide lender) of all or substantially all of the assets of the Corporation (other than to or by a majority-owned or wholly-owned subsidiary of the Corporation), shall be treated as a liquidation, dissolution or winding up of the Corporation and shall entitle the holders of Series A Convertible Preferred Stock to receive the amount that would be received in a liquidation, dissolution or winding up pursuant to Section 3(a) hereof, if the holders of a majority of the then outstanding shares of Series A Convertible Preferred Stock so elect by giving written notice thereof to the Corporation at least three business days before the effective date of such event. The Corporation will provide the holders of Preferred Stock with notice of all transactions which are to be treated as a liquidation, dissolution or winding up pursuant to this Section 3(c) ten (10) business days prior to the vote (whether taken at a meeting or via written consent) relating to such transaction or the closing of such transaction if no vote is taken,

- (d) <u>Distributions of Property</u>. All distributions provided for in this Section 3 shall be payable first in cash to the extent cash is available. Whenever the distribution provided for in this Section 3 shall be payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors, unless the holders of a majority of the then outstanding shares of Series A Convertible Preferred Stock request, in writing, that an independent appraiser perform such valuation, then by an independent appraiser selected by the Board of Directors and reasonably acceptable to a majority of the holders of such series of Preferred Stock.
- 4. <u>Voting Power</u>. Except as otherwise expressly provided in Section 9 hereof or as otherwise required by law, each holder of Series A Convertible Preferred Stock shall be entitled to vote on all matters submitted to the holders of Common Stock and shall be entitled to that number of votes equal to the number of whole shares of Common Stock into which such holder's respective shares of Series A Convertible Preferred Stock could then be converted, pursuant to the provisions of Section 5 hereof, at the record date for the determination of stockholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited. Except as otherwise expressly provided in Section 9 hereof or as otherwise required by law, the holders of shares of Preferred Stock and Common Stock shall vote together as a single class on all matters.

- 5. <u>Conversion Rights</u>. The holders of the Series A Convertible Preferred Stock shall have the following rights with respect to the conversion of such shares into shares of Common Stock:
- (a) <u>General</u>. Subject to and in compliance with the provisions of this Section 5, any or all shares of the Series A Convertible Preferred Stock may, at the option of the holder, be converted at any time into fully-paid and non-assessable shares of Common Stock. The number of shares of Common Stock to which a holder of Series A Convertible Preferred Stock shall be entitled to receive upon conversion shall be the product obtained by multiplying (x) the Series A Applicable Conversion Rate (determined as provided in Section 5(b)) by (y) the number of shares of Series A Convertible Preferred Stock being converted at any time.
- (b) Applicable Conversion Rate. The conversion rate in effect at any time for the Series A Convertible Preferred Stock (the "Series A Applicable Conversion Rate") shall be the quotient obtained by dividing \$0.915 by the Series A Applicable Conversion Value, as defined in Section 5(c). Initially, the Series A Applicable Conversion Rate shall be one (1), and each share of Series A Convertible Preferred Stock shall initially be convertible into one (1) share of Common Stock.
- (c) <u>Applicable Conversion Value</u>. The Series A Applicable Conversion Value in effect from time to time, except as adjusted in accordance with Section 5(d) hereof, shall be \$0.915 with respect to the Series A Convertible Preferred Stock (the "Series A Applicable Conversion Value").
  - (d) Adjustment to Series A Applicable Conversion Value.

### (i) <u>Upon Certain Events.</u>

(A) Effect on Series A Applicable Conversion Value Upon Dilutive Issuances of Common Stock or Convertible Securities. Except as otherwise provided in this Section 5(d), if the Corporation shall, while there are any shares of Series A Convertible Preferred Stock outstanding, issue or sell shares of its Common Stock (or Common Stock Equivalents, as defined below), which in any calendar quarter exceed in the aggregate 0.5% of the then outstanding shares of Common Stock, without consideration or at a price per share less than the Series A Applicable Conversion Value in effect immediately prior to such issuance or sale, then and in such event, such Series A Applicable Conversion Value upon each such issuance or sale, except as hereinafter provided, shall be reduced, concurrently with such issue, to an amount equal to such consideration or price per share.

The provisions of this Section 5(d)(i)(A) may be waived in any instance (without the necessity of convening any meeting of stockholders of the Corporation) upon the written consent of the holders of at least 66.66% of the outstanding shares of Series A Convertible Preferred Stock.

# (B) Effect on Series A Applicable Conversion Value Upon Other Dilutive Issuances of Warrants, Options and Purchase Rights to Common Stock or Convertible Securities.

(1) For the purposes of this Section 5(d)(i), the issuance of any warrants, options, subscription or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock, or the issuance of any warrants, options, subscription or purchase rights with respect to such convertible or exchangeable securities (collectively, "Common Stock Equivalents"), shall be deemed an issuance of Common Stock with respect to the Series A Convertible Preferred Stock if the Net Consideration Per Share (as hereinafter determined) which may be received by the Corporation for such Common Stock Equivalents shall be less than the Series A Applicable Conversion Value in effect at the time of such issuance. Any obligation, agreement or undertaking to issue Common Stock Equivalents at any time in the future shall be deemed to be an issuance at the time such obligation, agreement or undertaking is made or arises. No adjustment of the Series A Applicable Conversion Value shall be made under this Section 5(d)(i) upon the issuance of any shares of Common Stock which are issued pursuant to the exercise, conversion or exchange of any Common Stock Equivalents if any adjustment shall previously have been made upon the issuance of any such Common Stock Equivalents as above provided.

(2) Should the Net Consideration Per Share of any such Common Stock Equivalents be decreased from time to time, then, upon the effectiveness of each such change, the Series A Applicable Conversion Value will be that which would have been obtained (1) had the adjustments made upon the issuance of such Common Stock Equivalents been made upon the basis of the actual Net Consideration Per Share of such securities, and (2) had adjustments made to the Series A Applicable Conversion Value since the date of issuance of such Common Stock Equivalents been made to such Series A Applicable Conversion Value as adjusted pursuant to (1) above; provided, however, that no additional shares of Common Stock shall be issued with respect to shares of Series A Convertible Preferred Stock converted into Common Stock prior to the date of an event causing the adjustments referred to in this subparagraph.

(3) For purposes of this paragraph, the "Net Consideration Per Share" which may be received by the Corporation shall be determined as follows:

(a) The "Net Consideration Per Share" shall mean the amount equal to the total amount of consideration, if any, received by the Corporation for the issuance of such Common Stock Equivalents, plus the minimum amount of consideration, if any, payable to the Corporation upon exercise, or conversion or exchange thereof, divided by the aggregate number of shares of Common Stock that would be issued if all such Common Stock Equivalents were exercised, exchanged or converted.

(b) The "Net Consideration Per Share" which may be received by the Corporation shall be determined in each instance as of the date of issuance of Common Stock Equivalents without giving effect to any possible future upward price adjustments or rate adjustments which may be applicable with respect to such Common Stock Equivalents.

(C) Stock Dividends for Holders of Capital Stock Other Than Common Stock. In the event that the Corporation shall make or issue, or shall fix a record date for the determination of holders of any capital stock of the Corporation other than holders of Common Stock entitled to receive a dividend or other distribution payable in Common Stock or securities of the Corporation convertible into or otherwise exchangeable for the Common Stock of the Corporation, then such Common Stock or other securities issued in payment of such dividend shall be deemed to have been issued for a consideration of \$.01, except for (i) dividends payable in shares of Common Stock payable pro rata to holders of Series A Convertible Preferred Stock, and to holders of any other class of stock (whether or not paid to holders of any other class of stock), or (ii) with respect to the Series A Convertible Preferred Stock, dividends payable in shares of Preferred Stock, dividends payable in shares of Preferred Stock, dividends payable in shares of Series A Convertible Preferred Stock or (iii) with respect to any other series of Preferred Stock, dividends payable in shares of such series or Common Stock.

(D) Consideration Other than Cash. For purposes of this Section 5(d)(i), if a part or all of the consideration received by the Corporation in connection with the issuance of shares of the Common Stock or the issuance of any of the securities described in this Section 5(d)(i) consists of property other than cash, such consideration shall be deemed to have a fair market value as is reasonably determined in good faith by the Board of Directors of the Corporation.

(E) Exceptions to Anti-dilution. This Section 5(d)(i) shall not apply under any of the circumstances which would constitute an Extraordinary Common Stock Event (as described below). Further, this Section 5(d)(i) shall not apply with respect to:

(1) the issuance of shares of Common Stock pursuant to a Qualified IPO (as defined below);

(2) the issuance of shares of Common Stock upon the conversion of any shares of Series A Convertible Preferred Stock:

(3) the issuance of shares of Common Stock or stock options pursuant to stock option or executive ownership plans, where such plans have been approved by a majority of the non-employee members of the Corporation's Board of Directors and the shares of Common Stock issuable upon exercise of such options;

(4) shares or options for capital stock issued pursuant to warrants or stock options outstanding as of January 2, 2001;

(5) shares of capital stock issues in connection with an acquisition of or joint venture with another Corporation that has been approved by a majority of the non-employee members of the Corporation's Board of Directors;

(6) equity securities of the Corporation issued or issuable by the Corporation in connection with bank financing transactions that have been approved by a majority of the non-employee members of the Corporation's Board of Directors; or

(7) any adjustments to the conversion price or exercise price of any derivative security of the Corporation as a result of the application of anti-dilutive provisions.

(ii) <u>Upon Extraordinary Common Stock Event</u>. Upon the happening of an Extraordinary Common Stock Event (as hereinafter defined), the Series A Applicable Conversion Value (and all other conversion values set forth in Section 5(d)(i) above) shall, simultaneously with the happening of such Extraordinary Common Stock Event, be adjusted by multiplying each of the Series A Applicable Conversion Value by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be the Series A Applicable Conversion Value. The Series A Applicable Conversion Value as so adjusted, shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Event or Events.

An "Extraordinary Common Stock Event" shall mean (i) the issue of additional shares of Common Stock as a dividend or other distribution on outstanding shares of Common Stock, (ii) a subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) a combination or reverse stock split of outstanding shares of Common Stock into a smaller number of shares of Common Stock.

# (e) Automatic Conversion Upon Initial Public Offering.

(i) Mandatory Conversion of Preferred Stock. Immediately upon the closing of an underwritten public offering on a firm commitment basis with a nationally recognized full-service investment bank pursuant to an effective registration statement filed pursuant to the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Corporation in which the Corporation actually receives net proceeds equal to or greater than \$15,000,000 (calculated after deducting underwriting discounts and commissions and after the calculation of expenses) at a price per share equal to or greater than \$5.49 (subject to appropriate adjustment in the event of any stock dividends, stock split, combination or other similar recapitalization affecting such shares), and which is completed prior to January 2, 2004 (a "Qualified IPO"), all outstanding

shares of Series A Convertible Preferred Stock shall be converted automatically into the number of shares of Common Stock into which such shares of Series A Convertible Preferred Stock are then convertible pursuant to Section 5 hereof as of the closing of such underwritten public offering, without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent.

- Surrender of Certificates Upon Mandatory Conversion. Upon the occurrence of the conversion events specified in the preceding paragraph (i), the holders of the Series A Convertible Preferred Stock shall, upon notice from the Corporation, surrender the certificates representing such shares at the office of the Corporation or of its transfer agent for the Common Stock. Thereupon, there shall be issued and delivered to such holder a certificate or certificates for the number of shares of Common Stock into which the shares of Series A Convertible Preferred Stock so surrendered were convertible on the date on which such conversion occurred. The Corporation shall not be obligated to issue such certificates unless certificates evidencing the shares of Series A Convertible Preferred Stock being converted are either delivered to the Corporation or any such transfer agent, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection therewith.
- (f) Dividends. In the event the Corporation shall make or issue, or shall fix a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution (other than a distribution in liquidation or other distribution otherwise provided for herein) with respect to the Common Stock payable in (i) securities of the Corporation other than shares of Common Stock, or (ii) other assets (excluding cash dividends or distributions), then and in each such event provision shall be made so that the holders of the Series A Convertible Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the number of securities or such other assets of the Corporation which they would have received had their Series A Convertible Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the Conversion Date (as that term is hereafter defined in Section 5(j)), retained such securities or such other assets receivable by them during such period, giving application to all other adjustments called for during such period under this Section 5 with respect to the rights of the holders of the Series A Convertible Preferred Stock.
- (g) <u>Capital Reorganization or Reclassification</u>. If the Common Stock issuable upon the conversion of the Series A Convertible Preferred Stock shall be changed into the same or a different number of shares of any class or classes of capital stock, whether by capital reorganization, recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend

provided for elsewhere in this Section 5, or a merger, consolidation or sale of all or substantially all of the Corporation's capital stock or assets to any other person), then and in each such event, the holder of each share of Series A Convertible Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of capital stock and other securities and property receivable upon such reorganization, recapitalization, reclassification or other change by the holders of the number of shares of Common Stock into which such shares of Series A Convertible Preferred Stock might have been converted immediately prior to such reorganization, recapitalization, reclassification or change, all subject to further adjustment as provided herein.

- (h) Merger, Consolidation or Sale of Assets. If at any time or from time to time there shall be a merger or consolidation of the Corporation with or into another corporation (other than a merger or reorganization involving only a change in the state of incorporation of the Corporation), or the sale of all or substantially all of the Corporation's capital stock or assets to any other person, then, as a part of such reorganization, merger, or consolidation or sale, and if and to the extent the holders of Preferred Stock do not make the liquidation treatment election contemplated by Section 3(c) hereof, provision shall be made so that the holders of the Series A Convertible Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Convertible Preferred Stock the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such merger or consolidation, to which such holder would have been entitled if such holder had converted its shares of Series A Convertible Preferred Stock immediately prior to such capital reorganization, merger, consolidation or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 to the end that the provisions of this Section 5 (including adjustment of the Series A Applicable Conversion Value then in effect and the number of shares of Common Stock or other securities issuable upon conversion of such shares of Series A Convertible Preferred Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.
- (i) <u>Certificate as to Adjustments: Notice by Corporation</u>. In each case of an adjustment or readjustment of the Series A Applicable Conversion Rate, the Corporation at its expense will furnish each holder of Series A Convertible Preferred Stock with a certificate prepared by the President, Treasurer or Chief Financial Officer of the Corporation, showing such adjustment or readjustment, and stating in detail the facts upon which such adjustment or readjustment is based.
- (i) Exercise of Conversion Privilege. To exercise its conversion privilege, a holder of Series A Convertible Preferred Stock shall surrender the certificate or certificates representing the shares being converted to the Corporation at its principal office, and shall give written notice to the Corporation at that office that such holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued;

provided, however, that if the names are other than the registered holders thereof, such notice shall be accompanied by an opinion of counsel to the registered holders reasonably acceptable to the Corporation that such certificates may be issued (and the Common Stock transferred) pursuant to an available exemption from the registration requirements of applicable state and federal securities laws. certificate or certificates for shares of Series A Convertible Preferred Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Corporation or in blank. The date when such written notice and assignment (and opinion, as applicable) is received by the Corporation, together with the certificate or certificates representing the shares of Series A Convertible Preferred Stock being converted, shall be the "Conversion Date." As promptly as practicable after the Conversion Date, the Corporation shall issue and shall deliver to the holder of the shares of Series A Convertible Preferred Stock being converted, or on its written order, such certificate or certificates as it may request for the number of whole shares of Common Stock issuable upon the conversion of such shares of Series A Convertible Preferred Stock in accordance with the provisions of this Section 5, rounded up to the nearest whole share as provided in Section 5(k), in respect of any fraction of a share of Common Stock issuable upon such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Conversion Date, and at such time the rights of the holder as holder of the converted shares of Series A Convertible Preferred Stock shall cease and the person(s) in whose name(s) any certificate(s) 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 shares of Common Stock represented thereby.

- (k) No Issuance of Fractional Shares. No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon the conversion of shares of Series A Convertible Preferred Stock. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion of Series A Convertible Preferred Stock, the Corporation shall round up to the next whole share of Common Stock issuable upon the conversion of shares of Series A Convertible Preferred Stock. The determination as to whether any fractional shares of Common Stock shall be rounded up shall be made with respect to the aggregate number of shares of Series A Convertible Preferred Stock being converted at any one time by any holder thereof, not with respect to each share of Series A Convertible Preferred Stock being converted.
- (I) <u>Partial Conversion</u>. In the event some but not all of the shares of Series A Convertible Preferred Stock represented by a certificate(s) surrendered by a holder are converted, the Corporation shall execute and deliver to or on the order of the holder, at the expense of the Corporation, a new certificate representing the number of shares of Series A Convertible Preferred Stock which were not converted.
- (m) <u>Reservation of Common Stock</u>. The Corporation 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 A Convertible Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Convertible Preferred Stock (including any shares of Series A Convertible Preferred Stock represented by any warrants, options, subscription or purchase rights for Series A Convertible 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 then outstanding shares of the Series A Convertible Preferred Stock (including any shares of Series A Convertible Preferred Stock represented by any warrants, options, subscriptions or purchase rights for such Preferred Stock), the Corporation shall take such 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.

(n) No Reissuance of Preferred Stock. No share or shares of Series A Convertible Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue. The Corporation shall from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of the Series A Convertible Preferred Stock.

#### 6. Redemption.

(a) Optional Redemption. Commencing on the earlier of (i) January 2, 2006, and (ii) a Triggering Event (as defined below), and thereafter, the Corporation shall, at any time and from time to time, at the option of and on the written request of the holders of a majority of the outstanding shares of Series A Convertible Preferred Stock (delivered to the Corporation not less than 45 nor more than 90 days prior to the date of redemption) redeem, on the date (the "Redemption Date") specified in such request, all, but not less than all, of the then outstanding shares of Series A Convertible Preferred Stock. The redemption price for each share of Preferred Stock redeemed pursuant to this Section 6(a) shall initially be 100% of the Series A Liquidation Value (the "Redemption Price"). The Redemption Price set forth in this Section 6 shall be subject to equitable adjustment whenever there shall occur a stock split, stock dividend, combination, recapitalization, reclassification or other similar event involving a change in the number of outstanding shares of Series A Convertible Preferred Stock. To the extent that the Corporation may not legally redeem such shares of Preferred Stock, such redemption shall take place as soon as legally permitted. A "Triggering Event" shall be deemed to have occurred in the event the Corporation (a) breaches its obligations to redeem any of the Preferred Shares; (b) breaches any of its obligations under that certain Investor Rights Agreement dated January 2, 2001 among the holders of the Series A Convertible Preferred Stock and the Corporation; or (c) breaches any of its other material covenants or agreements with such holders under any other agreement or document; provided however, that the Corporation shall have 15 days after the

Corporation's receipt of notice of a breach not involving a payment obligation or the issuance of shares of capital stock to such holders in which to cure any such breach.

## (b) Insufficient Funds for Redemption.

- (i) If the funds of the Corporation legally available for redeemption of the Preferred Stock on the Redemption Date are insufficient to redeem the number of shares of Preferred Stock to be so redeemed on such Redemption Date, the holders of shares of Preferred Stock shall share ratably in any funds legally available for redemption the appropriate number of such shares according to the respective amounts which would be payable with respect to the number of shares owned by them if the shares to be so redeemed on such Redemption Date were redeemed in full. The shares of Preferred Stock not redeemed shall remain outstanding and entitled to all rights and preferences provided herein.
- (ii) At any time thereafter when additional funds of the Corporation are legally available for the redemption of such shares of Preferred Stock, such funds will be used, as soon as practicable but no later than the end of the next succeeding fiscal quarter, to redeem the balance of such shares, or such portion thereof for which funds are then legally available, on the basis set forth above.
- (iii) Each redemption of Preferred Stock pursuant to this Section 6 shall be made so that the number of shares of Preferred Stock to be redeemed from each registered owner shall be on a pro rata basis according to the respective liquidation preferences of each series of shares of Preferred Stock which each holder of Preferred Stock owns of record as of the applicable Redemption Date.
- (c) <u>Surrender of Certificates</u>. Each holder of Preferred Stock shall surrender the certificate(s) representing such shares to the Corporation at its principal executive offices, and thereupon, as of the Redemption Date, the Redemption Price for such shares as set forth in this Section 6 shall be paid to the order of the person whose name appears on such certificate(s) and each surrendered certificate shall be canceled and retired. In the event some but not all of the Preferred Stock represented by a certificate(s) surrendered by a holder are being redeemed, the Corporation shall execute and deliver to or on the order of the holder, at the expense of the Corporation, a new certificate representing the number of shares of Preferred Stock which were not redeemed.

The rights of redemption of the holders of Series A Convertible Preferred Stock are subject to the rights and preferences of any class or series of preferred stock that may be designated to be senior to, or on parity with, the Series A Convertible Preferred Stock with respect to rights of redemption.

(i) <u>Dividends and Conversion after Redemption</u>. From and after payment in full of the applicable Redemption Price, no shares of Preferred

Stock subject to redemption shall be entitled to any further dividends pursuant to Section 2 hereof or to the conversion provisions set forth in Section 5 hereof; provided, however, that in all events such redemption is consummated.

- (ii) Waiver of Redemption. Each holder of Preferred Stock shall have the right to waive redemption under this Section 6 of shares owned by such holder by providing written notice thereof to the Company (and returning any funds or other assets delivered by the Company for such redemption) within ten (10) business days of receipt of notice of redemption; provided that such waiver shall not affect the number of shares to be redeemed from any other holder.
- 7. Registration of Transfer. The Corporation will keep at its principal office a register for the registration of shares of Preferred Stock. Subject to the next sentence, upon the surrender of any certificate representing shares of Preferred Stock at such place, the Corporation will, at the request of the record holders of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefore representing the aggregate number of shares of Preferred Stock represented by the surrendered certificate. It shall be a condition precedent to any such transfer that the Corporation shall receive an opinion of counsel reasonably acceptable to the Corporation that such certificates may be issued (and the Preferred Stock transferred) pursuant to an available exemption from the registration requirements of applicable state and federal securities laws. Each such new certificate will be registered in such name and will represent such number of shares of Preferred Stock as is required by the holder of the surrendered certificate and will be substantially identical in form to the surrendered certificate.
- 8. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of Preferred Stock, and in the case of any such loss, theft or destruction, upon receipt of an unsecured indemnity from the holder reasonably satisfactory to the Corporation or, in the case of such mutilation upon surrender of such certificate, the Corporation will (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of Preferred Stock represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.
- 9. Restrictions and Limitations on Corporate Action and Amendments to Charter. The Corporation shall not take any corporate action or otherwise amend its Articles of Incorporation or this Articles of Amendment without the approval by vote or written consent of the holders of at least 66.66% of the then outstanding shares of Series A Convertible Preferred Stock, voting together as a single class, if such corporate action or amendment would:
- (a) amend any of the rights, preferences, privileges of or limitations provided for herein for the benefit of any shares of Series A Convertible Preferred Stock;

- (b) authorize or issue, or obligate the Corporation to authorize or issue, shares of Preferred Stock senior in priority to the Series A Convertible Preferred Stock with respect to liquidation preferences, dividend rights or redemption rights;
- (c) decrease the authorized number of shares of Series A Convertible Preferred Stock, other than pursuant to Section 5(n) hereof; or
- (d) cause the Corporation to redeem, purchase or otherwise acquire for value (or pay into or set aside for a sinking fund for such purpose), any share or shares of Preferred Stock other than pursuant to Section 6 hereof; or
  - (e) amend any provisions of this Section 9.
- 10. No Dilution or Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, transfer of capital stock or assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of the Preferred Stock set forth herein, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holders of the Preferred Stock hereunder. Without limiting the generality of the foregoing, the Corporation (a) will not increase the par value of any shares of stock receivable on the conversion of the Preferred Stock above the amount payable therefor on such conversion, and (b) will take all such action as may be necessary or appropriate in order that the Corporation may validly and legally issue fully paid and nonassessable shares of stock on the conversion of all Preferred Stock from time to time outstanding.

# 11. Notices of Record Date. In the event of:

- (a) any taking by the Corporation of a record of the holders of any class of securities 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 capital stock of any class or any other securities or property, or to receive any other right, or
- (b) any capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any merger or consolidation of the Corporation, or any transfer of all or substantially all of the assets of the Corporation to any other corporation, or any other entity or person, or
- (c) any voluntary or involuntary dissolution, liquidation or winding up of the Corporation,

then and in each such event the Corporation shall mail or cause to be mailed to each holder of 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

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description of such dividend, distribution or right, (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, consolidation, 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, consolidation, merger, dissolution, liquidation or winding up. Such notice shall be mailed by first class specified in such notice on which such record is to be taken and (2) the date on which such action is to be taken.

12. Notices. Except as otherwise expressly provided, all notices referred to herein will be in writing and will be delivered by registered or certified mail, return receipt requested, postage prepaid and will be deemed to have been given when so mailed (i) to the Corporation, at its principal executive offices and (ii) to any stockholder, at such holder's address as it appears in the stock records of the Corporation (unless otherwise indicated in writing by any such holder).

IN WITNESS WHEREOF, medmundo.com, inc. has caused these Articles of Amendment to be signed on this 2nd day of January, 2001.

medmundo.com, inc.

- Done

By: 400000

Name: THOME NICOCELLI MAD Title: PRESURVE NICE DEFENSE

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