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AMBIENT HEALTHCARE, INC.

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S E C Y R A Y S T A T E  
F L A M M A S S E E , F L O R I D A

## AMBIENT HEALTHCARE, INC.

CERTIFICATE OF SECOND AMENDED AND RESTATED  
ARTICLES OF INCORPORATION

Ambient Healthcare, Inc., a corporation organized and existing under and by virtue of the laws of the State of Florida, hereby certifies as follows:

The name of this corporation is Ambient Healthcare, Inc. and the original Articles of Incorporation of the corporation was filed with the Secretary of State of the State of Florida on April 20, 2001.

The Second Amended and Restated Articles of Incorporation in the form of Exhibit A attached hereto has been duly adopted in accordance with the provisions of Sections 1003, 1007, and 704 of the Florida Business Corporation Act ("Business Corporation Act"), and prompt written notice was duly given pursuant to Section 704 of the Business Corporation Act.

The text of the Amended and Restated Articles of Incorporation as heretofore amended or supplemented is hereby restated and further amended to read in its entirety as set forth in Exhibit A attached hereto.

This restatement contains amendments to the articles requiring shareholder approval under Section 1006 of the Business Corporation Act. The shareholders of the Corporation approved the amendments on June 6, 2011 by a majority of the outstanding shares of Common Stock and all of the outstanding shares of Series A Preferred Stock, the only outstanding classes of capital stock at the time. Accordingly, the number of votes cast for the amendments by the shareholders was sufficient for approval.

IN WITNESS WHEREOF, this Second Amended and Restated Articles of Incorporation has been signed this 6 day of June 2011.

AMBIENT HEALTHCARE, INC.

By:

George J. Overmeyer, President/CEO

EXHIBIT A**SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION****OF****AMBIENT HEALTHCARE, INC.****FIRST**

The name of this corporation is Ambient Healthcare, Inc. (the "Company").

**SECOND**

The address of the Company's registered office in the State of Florida is 15851 S. W. 41<sup>st</sup> Street, Suite 600, Davie, Florida 33331. The name of its registered agent at such address is George J. Overmeyer.

**THIRD**

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the laws of the State of Florida.

**FOURTH**

A. Reclassification of Series A Preferred Stock; Authorized Stock. Effective immediately and automatically upon the filing of this Second Amended and Restated Articles of Incorporation, each share of then outstanding Series A Preferred Stock ("Old Series A Preferred") shall be automatically reclassified and converted into 1.207411313 validly issued, fully paid and non-assessable shares of the Company's Class A Common Stock, par value \$0.001 per share, without any further action by the holder of such shares of Old Series A Preferred (the "Recapitalization"). Each stock certificate representing shares of Old Series A Preferred shall thereafter represent the number of shares of Class A Common Stock into which such shares were reclassified and converted; provided, however, that each person holding of record a stock certificate or certificates that represented shares of Old Series A Preferred shall receive, upon surrender of such certificate or certificates, a new certificate or certificates representing the number of shares of Class A Common Stock to which such person is entitled as the result of the Recapitalization based upon the number of shares of Old Series A Preferred held by such person. All share and per share numbers hereinafter set forth give effect to the Recapitalization. All shares of Common Stock (and all of the Company's stock options and warrants exercisable for shares of Common Stock) outstanding immediately prior to the Recapitalization shall remain outstanding in accordance with the terms and conditions of this Second Amended and Restated

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SECOND AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
AMBIENT HEALTHCARE, INC.  
15851 S.W. 41<sup>ST</sup> STREET  
DAVIE, FLORIDA 33331  
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Articles of Incorporation. The total authorized shares of Ambient, Inc. shall be 32,444,427, of which 10,478,408 shares will be designated as Class A Common Stock, par value \$0.001 per share, and 21,966,019 shares will be designated as Common Stock, par value \$0.001 per share. Except with respect to the conversion rights as set forth in Article Fourth, Section B, the approval rights set forth in Article Fifth, Section D., the redemption rights set forth in Article Sixth, and the preemptive rights set forth in Article Seventh, each share of the Class A Common Stock and each share of the Common Stock shall be identical in all respects, including, without limitation, with respect to rights to distribution and liquidation proceeds.

B. Conversion of Class A Common Stock. The Class A Common Stock shall have conversion rights as follows:

1. Right to Convert. Each share of Class A Common Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Company or any transfer agent. Each share of Class A Common Stock shall be convertible into a fully-paid and non-assessable share of Common Stock on a one (1) for one (1) basis.

2. Automatic Conversion. Each share of Class A Common Stock shall automatically be converted into a share of Common Stock on a one (1) for one (1) basis immediately upon the consummation of a firmly underwritten public offering pursuant to the Securities Act of 1933, as amended (the "Securities Act"), on Form S-1 (as defined in the Securities Act) or any successor form, provided, however, that (i) the per share price to the public is not less than Five Dollars (\$5.00) and (ii) the aggregate gross proceeds to the Company are not less than Twenty Million Dollars (\$20,000,000) (a "Qualified Public Offering").

3. Mechanics of Conversion. Before any holder of Class A Common Stock shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, he shall surrender the Class A Common Stock certificate or certificates, duly endorsed, at the office of the Company or of any transfer agent for the Class A Common Stock, and shall give written notice to the Company at such office that he elects to convert such shares; provided, however, that in the event of an automatic conversion pursuant to paragraph B.2. above, the outstanding shares of Class A Common Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; provided further, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless either the certificates evidencing such shares of Class A Common Stock are delivered to the Company or its transfer agent as provided above, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company (but shall not be required to provide a bond) to indemnify the Company from any loss incurred by it in connection with such certificates.

The Company shall, as soon as practicable after delivery of the Class A Common Stock certificates, issue and deliver at such office to such holder of Class A Common Stock, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled, plus any declared or accumulated but unpaid dividends on the converted Class A Common Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Class A Common Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date; provided, however, that if the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act, the conversion may, at the option of any holder tendering Class A Common Stock for conversion, be conditioned upon the closing of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Class A Common Stock shall not be deemed to have converted such Class A Common Stock until immediately prior to the closing of the sale of such securities.

## FIFTH

A. Voting. Except as otherwise expressly provided herein or as required by law, the holders of Class A Common Stock and the holders of Common Stock shall vote together and not as separate classes on all matters including the election of members of the Board of Directors.

B. Common Stock. Each holder of shares of Common Stock shall be entitled to one vote for each share thereof held.

C. Class A Common Stock. Each holder of shares of Class A Common Stock shall be entitled to one vote for each share thereof held. The holders of shares of the Class A Common Stock shall be entitled to vote on all matters on which the Common Stock shall be entitled to vote. The holders of the Class A Common Stock shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company.

D. Approval by Class A Common Stock. Notwithstanding Section A. above or anything otherwise provided herein, the Company shall not, without first obtaining the approval (by vote or written consent as provided by law) of holders of more than fifty percent (50%) of the Class A Common Stock then outstanding, voting together as a single, separate class:

1. amend this Second Amended and Restated Articles of Incorporation or the bylaws of the Company in any way that changes the rights, privileges or preferences expressly afforded the Class A Common Stock, or effect a merger, business combination, or other corporate transaction or series of related transactions pursuant to which the rights, preferences or privileges of the Class A Common Stock will be changed in any way or pursuant to which the Class A Common Stock will be exchanged for new securities with different rights, preferences, privileges or preferences;

2. increase or decrease the number of shares of Common Stock or Class A Common Stock, or creation of additional classes of capital stock that the Company shall have the authority to issue, or effect a merger, business combination, or other corporate transaction or series of related transactions pursuant to which the number of shares of Common Stock or Class A Common Stock that the Company or a successor corporation shall have the authority to issue shall be increased or decreased;

3. create or issue any securities of the Company, except issuances of shares of Common Stock pursuant to exercise of options or warrants approved by the holders of the Class A Common Stock, or effect a merger, business combination, or other corporate transaction or series of related transactions pursuant to which the rights, preferences or privileges of the Common Stock or Class A Common Stock will be changed in any way or pursuant to which the Company or a successor corporation will have authorized any other securities;

4. consummate any acquisition of another entity, substantially all of the stock of another entity, or substantially all of the assets of another entity, by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation);

5. except for any liens existing as of the date of the filing of this Second Amended and Restated Articles of Incorporation in favor of Midcap Funding, IV, LLC, as Administrative Agent and as a Lender, its successors or assigns, pledge as security all or a substantial portion of the Company's assets;

6. sell or pledge as security any of the Company's intellectual property, other than in the ordinary course of business;

7. change the number of directors of the Company;

8. declare a dividend or other distribution on any of the Company's stock;

9. amend the bylaws of the Company;

10. restrict the Company's right to perform under Stockholder Agreement dated as of May       , 2011 and the documents delivered in connection therewith;

11. adopt any new or amend any existing employee or director stock plan or employee benefit or compensation arrangement in a material manner or grant additional compensation to either the president, chief executive officer, chief operating officer or chief financial officer (the "Senior Personnel");

12. enter into any transaction with affiliated entities;

13. retain independent auditors and legal counsel not acceptable to the holders of Class A Common Stock;

14. enter into any other line of business other than business substantially similar or related to the existing business;

15. amend, modify or waive any provision related to non-competition or proprietary information contained in any agreement with any of its employees, officers or directors or other related parties; or fail to enforce any such provision;

16. incur indebtedness for borrowed money in excess of Fifty Thousand Dollars (\$50,000) other than indebtedness under the existing Midcap Funding IV credit facility dated as of June 28, 2010 (as amended or modified as permitted hereby, the "Midcap Facility"), or enter into any lease or license in excess of Fifty Thousand Dollars (\$50,000);

17. amend or modify the Midcap Facility;

18. own, purchase or acquire any stock, obligations or securities of, or any interest in, or make any contribution to, any other person or entity, or own, purchase or acquire any property or assets other than in the ordinary course of business;

19. modify the Annual Business Plan of the Company or otherwise conduct the Company's business not in accordance with the Annual Business Plan. "Annual Business Plan" shall mean a financial and operational forecast for the upcoming year for the Company and its subsidiaries prepared by senior management prior to the end of each calendar year that is submitted to and approved by the Board of Directors and holders of a majority of the outstanding shares of Class A Common Stock.

20. make capital expenditures, acquisitions or dispositions in excess of Fifty Thousand Dollars (\$50,000), except to the extent contemplated and approved in the Annual Business Plan;

21. hire or terminate Senior Personnel;

22. terminate any employee, officer or director, or take any action with respect thereto, in a manner that would trigger rights to severance or other post-termination compensation;

23. repurchase shares of the Company's stock except in connection with the repurchase of shares of Common Stock issued to or held by employees, consultants, officers and directors upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, which agreements were authorized prior to the date of this Second Amended and Restated Articles of Incorporation by the approval of the Board of Directors or in

connection with the redemption of Class A Common Stock as provided in Article SIXTH of this Second Amended and Restated Articles of Incorporation:

24. permit any subsidiary or any entity that becomes a direct or indirect subsidiary of the Company to do any of the foregoing; or

25. take any other action, including without limitation by way of merger, business combination, recapitalization, reincorporation or other corporate transaction or series of related transactions, the consummation of which would have substantially the same effect of any of the foregoing.

## SIXTH

### A. Redemption.

1. At any time after December 31, 2013, the holders of more than fifty percent (50%) of the then outstanding Class A Common Stock may by written notice to the Company specify a date not less twenty (20) days nor more than forty (40) days following delivery of such written notice (the "Redemption Date"), upon which the Company shall, to the extent it may lawfully do so, redeem all of the then-outstanding Class A Common Stock by paying in cash a sum per share equal to the fair market value of the Class A Common Stock, but in no case less than \$0.09543434 per share (as adjusted for stock dividends, stock splits and the like) plus accrued dividends ("Redemption Price"). The fair market value is to be determined by an authority mutually-agreed upon by the Company and the holders of a majority of the then outstanding shares of Class A Common Stock.

2. At least twenty (20) but no more than forty (40) days prior to the Redemption Date, written notice shall be delivered to each holder of record of the Class A Common Stock to be redeemed, at the address last shown on the records of the Company, notifying such holder of the redemption to be effected, specifying the number of shares to be redeemed from such holder, the Redemption Date, the Redemption Price, the place at which payment may be obtained and calling upon such holder to surrender to the Company, in the manner and at the place designated, his, her or its certificate or certificates representing the shares to be redeemed (the "Redemption Notice"). Except as provided in subsection 3 on or after the Redemption Date, each holder of Class A Common Stock to be redeemed shall surrender to the Company the certificate or certificates representing such shares, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price of such shares shall be payable to the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be cancelled. In the event less than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares.

3. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of shares of Class A

Common Stock designated for redemption in the Redemption Notice (except the right to receive the Redemption Price without interest upon surrender of their certificate or certificates) shall cease with respect to the shares to be redeemed, and such shares shall not thereafter be transferred on the books of the Company or be deemed to be outstanding for any purpose whatsoever. If the funds of the Company legally available for redemption of shares of Class A Common Stock on any Redemption Date are insufficient to redeem the total number of shares of Class A Common Stock to be redeemed on such date, those funds which are legally available will be used to redeem the maximum possible number of such shares ratably among the holders of such shares to be redeemed based upon their holdings of Class A Common Stock. The shares of Class A Common Stock not redeemed shall remain outstanding and entitled to all the rights, preferences and privileges provided in this Second Amended and Restated Articles of Incorporation. At any time thereafter when additional funds of the Company are legally available for the redemption of shares of Class A Common Stock, such funds will immediately be used to redeem the balance of the shares which the Company has become obliged to redeem on any Redemption Date but which it has not redeemed.

4. In the event that the Company is unable or otherwise fails to meet its requirements pursuant to a Redemption Notice, the Board of Directors shall increase such that the Board of Directors consists of eleven (11) members and the holders of the Class A Common Stock, voting separately as a single class, shall be entitled to elect a total of six (6) directors and the holders of the Common Stock, voting separately as a single class, shall be entitled to elect five (5) directors.

B. Notices. Any notice required by the provisions of this Article SIXTH to be given to the holders of Class A Common Stock shall be deemed given if deposited in the United States mail, postage prepaid, if deposited with a nationally recognized overnight courier, or if personally delivered, and addressed to each holder of record at such holder's address appearing on the books of the Company.

## SEVENTH

Preemptive Rights. If the Company proposes to issue or sell any Common Stock, or any other class of capital stock, or any warrants, options or rights to acquire, convertible into or exchangeable for any shares of capital stock of the Company, or any security having a direct or indirect equity participation in the Company, or any subsidiary of the Company proposes to do any of the foregoing (for purposes hereof, "New Securities"), other than (i) in a public offering registered under the Securities Act, (ii) pursuant to a stock split, dividend or other recapitalization or (iii) pursuant to the 2001 Employee Stock Option Plan or the 2001 Outside Directors Stock Option Plan, then the Company shall deliver written notice thereof to the holders of the Class A Common Stock setting forth the number, terms and purchase consideration (or if such purchase consideration is not expressed in cash, the fair market value cash equivalent thereof determined in good faith by the Board of Directors of the Company) of the New Securities which the Company proposes to issue. Each such holder of Class A Common Stock shall thereupon have the right, unless otherwise agreed in writing by such holder of Class A

Common Stock in advance, to elect to purchase on the same terms and conditions (including consideration or the cash equivalent thereof) as those offered to any third party that number of New Securities proposed to be issued as would maintain such holder of Class A Common Stock's relative proportional equity interest in the Company. Such holder of Class A Common Stock may make such election by written notice to the Company within twenty (20) days of receipt of notice of any proposed issuance of New Securities. If a holder of Class A Common Stock does not elect to purchase its pro rata portion of New Securities within twenty (20) days of the date of the foregoing notice, this pro rata purchase right shall terminate with respect to the New Securities described in the written notice delivered to that party, and the Company may, in its sole discretion, sell to third parties within ninety (90) days after such holder of Class A Common Stock receives such notice of the proposed issuance of New Securities any or all of the New Securities described in such written notice with respect to which the purchase right was not exercised, but only on the terms and conditions set forth in such written notice to the holders of Class A Common Stock. Notwithstanding the foregoing, nothing herein shall mean or be construed to require the holders of Class A Common Stock to approve the issuance of New Securities. The preemptive rights under this Article Seventh may be waived at any time, in whole or in part, by holders of a majority of the shares of Class A Common Stock then outstanding.

#### **EIGHTH**

Subject to the terms hereof, the Board of Directors shall have the power to adopt, amend and repeal the bylaws of the Company (except insofar as the bylaws of the Company as adopted by action of the stockholders of the Company shall otherwise provide). Any bylaws made by the directors under the powers conferred hereby may be amended or repealed by the directors or by the stockholders, and the powers conferred in this Article EIGHTH shall not abrogate the right of the stockholders to adopt, amend and repeal bylaws.

#### **NINTH**

The Company reserves the right to amend the provisions in this Second Amended and Restated Articles of Incorporation and in any certificate amendatory hereof in the manner now or hereafter prescribed by law, and all rights conferred on stockholders or others hereunder or thereunder are granted subject to such reservation.

#### **TENTH**

Special meetings of the stockholders of the Company for any purpose or purposes may be called at any time by the Board of Directors, the chairman of the Board of Directors, the president of the Company or holders of record of fifty-one percent (51%) or more of the Class A Common Stock. Special meetings of the stockholders of the Company may not be called by any other person or persons.

**ELEVENTH**

A. The Company shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Company or any predecessor of the Company or serves or served at any other enterprise as a director, officer or employee at the request of the Company or any predecessor to the Company.

B. Neither any amendment nor repeal of this Article ELEVENTH, nor the adoption of any provision of the Company's Articles of Incorporation inconsistent with this Article ELEVENTH, shall eliminate or reduce the effect of this Article ELEVENTH in respect of any matter occurring or any action or proceeding accruing or arising or that, but for this Article ELEVENTH, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

C. The Company may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Florida Business Corporation Act.

D. Nothing contained herein shall require or permit the Company to indemnify any party with respect to such party's misfeasance, malfeasance, negligence or breach of any agreements between the Company and one or more of its shareholders.

**CERTIFICATE DESIGNATING PLACE OF BUSINESS  
OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN  
THIS STATE, NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

\*\*\*\*\*

Pursuant to Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

**AMBIENT HEALTHCARE, INC.**, desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Second Amended and Restated Articles of Incorporation, at 15851 S. W. 41<sup>st</sup> Street, Suite 600, Davie, Florida 33331, has named GEORGE J. OVERMEYER as its agent to accept service of process within this State.

ACCEPTANCE:

Having been named to accept service of process for the above-stated corporation, at the place designated in this Certificate, I hereby agree to act in this capacity, and agree to comply with the provisions of said Act relative to keeping said office open.



**GEORGE J. OVERMEYER**