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ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF  
QHP FINANCIAL GROUP, INC.  
(a Florida corporation)

Pursuant to the provisions of Sections 607.1003 and 607.1006 of the Florida Business Corporation Act, the undersigned corporation hereby executes and submits for filing with the Florida Department of State these Articles of Amendment to its Articles of Incorporation (the "Amendment"):

1. The name of the corporation is QHP Financial Group, Inc. (the "Corporation").
2. ARTICLE III of the Corporation's Articles of Incorporation is hereby amended by deleting the text of ARTICLE III in its entirety and substituting therefor the text attached hereto as Exhibit A.
3. A new ARTICLE XI is hereby inserted into the Corporation's Articles of Incorporation which shall read as follows:

"ARTICLE XI  
Waiver of Statutory Provisions

In accordance with Section 607.0901(5)(c), Florida Statutes, the Corporation hereby elects not to be governed by Section 607.0901, Florida Statutes, relating to "affiliated transactions" as defined therein. In accordance with Section 607.0902(5), the Corporation hereby elects not to be governed by Section 607.0902, Florida Statutes with regard to "control-share acquisitions" as defined therein. In accordance with Section 607.1302(3), Florida Statutes, the Corporation hereby elects to eliminate appraisal rights for any class or series of capital stock."

4. The Amendment was adopted by the unanimous joint written consent of the board of directors and shareholders of the Corporation on February 13, 2009.
5. Except as hereby amended, the Articles of Incorporation of the Corporation shall remain the same.
6. This Amendment shall be effective upon filing with the Florida Department of State.

## EXHIBIT A

### ARTICLE III

#### CAPITAL STOCK

The total number of shares of all classes of capital stock which the Corporation shall be authorized to issue is 70,000,000, of which (i) 60,000,000 shares shall be common stock, having a par value of \$0.001 per share ("Common Stock"), and (ii) 10,000,000 shares shall be preferred stock, having a par value of \$0.001 per share, of which 10,000,000 shares have been designated as Series A Convertible Preferred Stock (herein referred to as "Series A Preferred Stock" or "Preferred Stock").

The following is a description of the limitations and relative rights of the respective classes of authorized capital stock and a statement of the preferences, voting powers, relative, participating, optional or other special rights and privileges and the qualifications, limitations and restrictions of the respective classes of authorized capital stock.

#### A. PREFERRED STOCK

##### I. VOTING

a. Except as may be otherwise required by law or as otherwise set forth in these Articles of Incorporation, the Preferred Stock shall vote together with all other classes and series of voting stock of the Corporation as a single class on all actions to be taken by the stockholders of the Corporation, including, but not limited to, actions amending these Articles of Incorporation to increase the number of authorized shares of Common Stock, irrespective of any provisions of the Florida Business Corporation Act to the contrary. Each share of Preferred Stock shall entitle the holder thereof to such number of votes per share on any action on which such shares are entitled to be voted as shall equal the number of shares of Common Stock (including fractions of a share) into which each share of Preferred Stock is then convertible.

b. So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock originally purchased by Vicis Capital Master Fund ("Vicis") pursuant to the terms of a certain Stock Purchase Agreement dated on or about February 13, 2009 by and among the Corporation, Vicis and the other purchasers party thereto (the "Stock Purchase Agreement"), voting together as a separate class:

(1) other than a Qualified Sale of the Company (as defined in Section 5 of the Shareholders Agreement of even date herewith), consent to, authorize, enter into any commitment or agreement with respect to, or consummate, a Sale of the Corporation (as such term is defined in Section V of this Article IV, paragraph A);

IN WITNESS WHEREOF, the undersigned officer of the Corporation has executed this  
Amendment on February 13, 2009.

QHP FINANCIAL GROUP, INC.

By   
Haider A. Khan, President

(2) materially alter or change the rights, preferences or privileges of the Series A Preferred Stock, as set forth in these Articles of Incorporation, or increase or decrease the total number of authorized shares of Series A Preferred Stock;

(3) authorize (A) the creation of any class or series of any equity security of the Corporation having rights, preferences or privileges senior to, or on parity with, the Series A Preferred Stock or (B) the reclassification or modification of any class or series of any equity security of the Corporation in a manner that would result in such class or series having rights, preferences or privileges senior to, or on parity with, the Series A Preferred Stock;

(4) redeem, purchase or otherwise acquire (or pay into or set funds aside for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock, other than shares of capital stock of the Corporation issued to officers, directors, employees, or consultants pursuant to a stock option plan or restricted stock plan approved by the Board of Directors, provided such shares of capital stock are repurchased pursuant to the terms of the agreement entered into at the time of original issuance of such shares granting to the Corporation a right of repurchase of such shares upon termination of service or employment of a consultant, director or employee of the Corporation; or

(5) consent to, authorize, enter into any commitment or agreement with respect to, or consummate, any transaction with any past or present officer, employee, director or affiliate of the Corporation or any Subsidiary of the Corporation or any entity or individual owning 2% or more of any class of capital stock of the Corporation or any member of the immediate family of such officer, employee, director or stockholder or any corporation or other entity controlled by such officer, employee, director or stockholder or by a member of the immediate family of such officer, employee, director or stockholder, other than (a) employment compensation arrangements approved by the compensation committee of the Board, or (b) any other commitment or arrangement presented to and approved by the Board, which is on terms no less favorable to the Corporation or any Subsidiary of the Corporation, as applicable, than would be obtainable in an arms length transaction, and would otherwise be entered into by a prudent person in the position of the Corporation or any Subsidiary of the Corporation, as applicable.

c. So long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not, without first having either submitted the matter to the Board of Directors of the Corporation (the "Board of Directors") for consideration at either a regular or specially called meeting or obtained a unanimous written consent authorizing such action, take any of the following actions:

(1) consent to, authorize or enter into any commitment or agreement with respect to, or consummate, a sale or other transfer of material assets of the Corporation (which shall include for this purpose the assets of all direct and indirect Subsidiaries (as such term is defined in Section V of this Article IV, paragraph A)) to any Person (as such term is defined in Section V of this Article IV, paragraph A) other than a wholly-owned Subsidiary of the Corporation;

(2) other than a Qualified Sale (as defined in Article IV of the Shareholder Agreement of even date herewith), consent to, authorize or enter into any

commitment or agreement with respect to, or consummate, the acquisition of another business or some or all of its assets (whether by acquisition of stock or assets, through a merger or otherwise) in a transaction or series of related transactions involving (A) the payment (whether in cash, immediately or over time, or through assumption of debt and other obligations) by the Corporation or any Subsidiary of aggregate consideration in excess of \$5,000,000.00, or (B) consideration consisting of a combination of current and future cash payments, assumption of debt or other obligations and issuance of capital stock, rights to acquire capital stock of the Corporation or a combination of both with an aggregate value, as determined in good faith by the Board of Directors of the Corporation, in excess of \$5,000,000.00;

(3) authorize, enter into any commitment or agreement with respect to, or incur, debt (which shall include for this purpose the debt of all direct and indirect Subsidiaries) in excess of \$5,000,000.00 in one transaction or series of related transactions; or

(4) appoint or elect a new Chief Executive Officer of the Corporation.

## II. DIVIDENDS

a. Cumulative Dividends on Series A Preferred Stock. From and including the date of issuance of each share of Series A Preferred Stock to the earlier of (1) the Individual Series A Liquidation Preference Payment (as defined below) is paid on each share of Series A Preferred Stock upon the liquidation, dissolution or winding up of the Corporation, or (2) the conversion of the Series A Preferred Stock, the holders of shares of Series A Preferred Stock shall be entitled to receive, prior to and in preference to any declaration or payment of any dividend on any other shares of capital stock of the Corporation, a cumulative dividend for each such share at a rate per annum equal to eight percent (8%) of the Stated Value (as such term is defined in Section V of this Article IV, paragraph A) thereof, payable annually on the second Monday of January of each year, in cash, to the extent funds are legally available therefor in accordance with the Florida Business Corporation Act and consent, if needed, to such cash payment is obtained from the senior secured creditors of the Corporation and the Florida Office of Insurance Regulation, or any successor or other governmental entity whose consent to the payment of such dividend is required. If a dividend due under this Section II(a) is not paid in cash on the second Monday of January because funds are not legally available in accordance with the Florida Business Corporation Act or the senior secured creditors of the Corporation or the New York State Department of Insurance, or any successor or other governmental entity whose consent to such payment is required, has refused to grant consent to such cash payment, then, at the option of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock originally purchased by Vicis, such dividend payment shall be payable (y) in shares of Series A Preferred Stock equal to the result of dividing the dividend amount so accrued by the Stated Value of one share of Series A Preferred Stock, or (z) such dividend payment shall continue to be payable, in cash, immediately due upon funds being legally available therefor in accordance with the Florida Business Corporation Act and consent, if needed, to such cash payment being obtained from the senior secured creditors of the Corporation and the New York State Department of Insurance, or any successor or other governmental entity whose consent to the payment of such dividend is required. With regard to the preceding sentence, if the holders of a majority of the then outstanding shares of Series A Preferred Stock originally purchased by Vicis do not make the election for a cash or stock dividend within twenty (20) days after receipt

of written notice from the Corporation that a cash payment on the due date for such year is prohibited, then holders of the Series A Preferred Stock shall be deemed to have elected a cash dividend under clause (z) above for such year. Dividends under this Section II(a) shall accrue whether or not they have been declared and whether or not there are profits, surplus, or other funds of the Corporation legally available for the payment of dividends. In the event that accrued dividends are paid in cash, in part, but not in full, to the holders of the outstanding shares of Series A Preferred Stock so entitled to such payment, then the entire amount available for payment of cash dividends shall be distributed ratably among all holders of Series A Preferred Stock in proportion to the full amount to which they would otherwise be respectively entitled. The date on which the Corporation initially issues any share of Series A Preferred Stock shall be deemed to be its "date of issuance" regardless of the number of times transfer of such share is made on the stock records maintained by or for the Corporation and regardless of the number of certificates which may be issued to evidence such share.

b. Priority of Payment. So long as any dividends accrued under Section II.a. above have not been paid in full (including unpaid dividends under Section II.a.(z) above), the Corporation shall not pay any dividends on Common Stock or any other class of capital stock junior, or on parity with, the Series A Preferred Stock without consent of at least a majority of the then outstanding shares of Series A Preferred Stock originally purchased by Vicis.

c. Participation on an as Converted Basis. Subject to Section II(a) above, the holders of shares of Series A Preferred Stock shall be entitled to receive and participate in, on an as-converted to Common Stock basis, when, as and if declared by the Board of Directors of the Corporation, out of the assets of the Corporation which are by law available therefor, all dividends payable either in cash or in property to the holders of Common Stock.

### III. LIQUIDATION

a. Upon (i) any liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, (other than a Qualified Sale of the Company (as defined in the Shareholders Agreement of even date herewith)), the holders of the shares of Series A Preferred Stock shall be paid, before any payment shall be paid to the holders of any stock ranking on liquidation junior to the Series A Preferred Stock, an amount for each share of Series A Preferred Stock held by such holder equal to the sum of (1) two times the Stated Value thereof and (2) an amount equal to dividends accrued but unpaid thereon, computed to the date payment thereof is made available, and (ii) a Qualified Sale of the Company (as defined in the Shareholders Agreement of even date herewith), the holders of the shares of Series A Preferred Stock shall be paid, before any payment shall be paid to the holders of any stock ranking on liquidation junior to the Series A Preferred Stock, an amount for each share of Series A Preferred Stock held by such holder equal to the sum of (1) one times the Stated Value thereof and (2) an amount equal to dividends accrued but unpaid thereon, computed to the date payment thereof is made available (such applicable amount payable with respect to a share of Series A Preferred Stock being sometimes referred to as the "Individual Series A Preferred Liquidation Preference Payment" and with respect to all shares of Series A Preferred Stock in the aggregate being sometimes referred to as the "Aggregate Series A Liquidation Preference Payment"). If upon such liquidation, dissolution or winding up of the Corporation, whether voluntarily or

involuntarily, the assets to be distributed among the holders of shares of Series A Preferred Stock shall be insufficient to permit payment to the holders of Series A Preferred Stock of an aggregate amount equal to the Aggregate Series A Liquidation Preference Payment, then the entire assets of the Corporation to be so distributed shall be distributed ratably among the holders of Series A Preferred Stock (based on the Individual Series A Liquidation Preference Payments due to the respective holders of Series A Preferred Stock). Upon any liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, after the holders of Series A Preferred Stock shall have been paid in full the Aggregate Series A Preferred Liquidation Preference Payment, the remaining net assets of the Corporation shall be distributed as provided in paragraph b of this Section III. For purposes hereof, the Common Stock and any other class of capital stock of the Corporation not made expressly senior to or on parity with the Series A Preferred Stock, in accordance with Section I.b.(2) above, shall rank on liquidation junior to the Series A Preferred Stock.

b. Upon any liquidation, dissolution or winding up of the Corporation, immediately after (1) the holders of Series A Preferred Stock have been paid in full the Aggregate Series A Liquidation Preference Payment pursuant to paragraph a above, and (2) the holders of any other class of capital stock of the Corporation junior to the Series A Preferred Stock, but senior to the Common Stock, have been paid in full, the remaining net assets of the Corporation available for distribution shall be distributed pro-rata among the holders of shares of Series A Preferred Stock and Common Stock on an as-converted to Common Stock basis.

c. At the election of at least a majority of the then outstanding shares of Series A Preferred Stock given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, a Sale of the Corporation (as defined in Section V(b)(1) or (3)) shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of the provisions of this Section III. A Sale of the Corporation (as defined in Section V(b)(2)) shall be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of the provisions of this Section III. As a point of clarification, this Section III(c) shall not apply in determining whether Section III(a)(i) or Section III(a)(ii) is applicable. Whenever the distribution provided for in this Section III 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.

#### IV. CONVERSIONS

The holders of shares of Preferred Stock shall have the following conversion rights:

a. Right to Convert. Subject to the terms and conditions of this Section IV, the holder of any share or shares of Preferred Stock shall have the right, at its option at any time after the date of issuance of such shares, and from time to time, to convert any such shares of Preferred Stock (except that upon any liquidation of the Corporation the right of conversion shall terminate at the close of business on the business day fixed for payment of the amount distributable on the Preferred Stock) into such number of fully paid and nonassessable shares of Common Stock as is obtained by (1) multiplying the number of shares of Preferred Stock so to be converted by the Applicable Issuance Price (as defined below) with respect to the



series of Preferred Stock so to be converted and (2) dividing the result by the Applicable Conversion Price (as defined below) with respect to the series of Preferred Stock so to be converted or, in case an adjustment of such price has taken place pursuant to the further provisions of this Section IV, then by the Applicable Conversion Price as last adjusted and in effect at the date any share or shares of such series of Preferred Stock are surrendered for conversion. The "Applicable Issuance Price" for each share of Series A Preferred Stock shall be \$1.00 per share. The initial "Applicable Conversion Price" for each share of Series A Preferred Stock shall be \$1.00 per share. Such rights of conversion shall be exercised by the holder thereof by giving written notice to the Corporation that the holder elects to convert a stated number of shares of Preferred Stock into Common Stock and by surrender of a certificate or certificates for the shares so to be converted to the Corporation at its principal office (or such other office or agency of the Corporation as the Corporation may designate by notice in writing to the holders of the Preferred Stock) at any time during its usual business hours on the date set forth in such notice, together with a statement of the name or names (with address) in which the certificate or certificates for shares of Common Stock shall be issued.

b. Issuance of Certificates; Time Conversion Effected.

(1) Promptly after the receipt of the written notice referred to in paragraph a of this Section IV, and surrender of the certificate or certificates for the share or shares of Preferred Stock to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the holder, registered in such name or names as such holder may direct, subject in each case to any applicable restrictions on transfer of such shares, a certificate or certificates for the number of whole shares of Common Stock issuable upon the conversion of such share or shares of Preferred Stock. To the extent permitted by law, such conversion shall be deemed to have been effected, and the Applicable Conversion Price with respect to such series of Preferred Stock shall be determined, as of the close of business on the date on which such written notice shall have been received by the Corporation and the certificate or certificates for such share or shares shall have been surrendered as aforesaid, and at such time the rights of the holder of such share or shares of Preferred Stock shall cease, and the person or persons in whose name or names any certificate or certificates 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 represented thereby.

(2) If the conversion of any share or shares of Preferred Stock into Common Stock is to occur in connection with an underwritten offering of the Corporation's securities pursuant to the Securities Act of 1933, as amended, such conversion may, at the option of any holder tendering shares of Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of such securities pursuant to such offering, in which event the person or persons entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

c. Fractional Shares; Dividends; Partial Conversion. No fractional shares shall be issued upon conversion of Preferred Stock into Common Stock and no payment or adjustment shall be made upon any conversion on account of any cash dividends on the Common Stock issued upon such conversion. At the time of each conversion, the Corporation

shall pay to the holders of the shares of Preferred Stock surrendered for conversion cash in an amount equal to all dividends accrued or declared and unpaid on the shares of Preferred Stock surrendered for conversion to the date upon which such conversion is deemed to take place as provided in paragraph b above; provided, however, if cash is not legally available for payment of such dividends at the time of such conversion or consent, if needed, to such cash payment has not been obtained from the senior secured creditors of the Corporation and the New York State Department of Insurance, or any successor or other governmental entity whose consent to such payment is required, the Corporation shall, at the option of such holders, (1) pay such dividends in cash as and when cash is legally available therefor and such consent has been obtained (which consent the Corporation shall use its commercially reasonable best efforts to obtain as and when cash is so legally available for the payment of such dividends), or (2) provide to such holders a certificate representing a number of shares of Common Stock equal to the quotient of all dividends accrued or declared and unpaid on the shares of Preferred Stock so surrendered divided by the Applicable Conversion Price then in effect with respect to the shares of each series of Preferred Stock so surrendered. In case the number of shares of Preferred Stock represented by the certificate or certificates surrendered pursuant to paragraph a above, exceeds the number of shares converted, the Corporation shall, upon such conversion, execute and deliver to the holder, at the expense of the Corporation, a new certificate or certificates for the number of shares of Preferred Stock represented by the certificate or certificates surrendered which are not to be converted. If any fractional share of Common Stock would, except for the provisions of the first sentence of this paragraph c, be delivered upon such conversion, the Corporation, in lieu of delivering such fractional share, shall pay to the holder surrendering the Preferred Stock for conversion an amount in cash equal to the fair market value of such fractional share as determined in good faith by the Board of Directors.

d. Adjustment of Price Upon Issuance of Common Stock. Except as provided in paragraphs e and f of this Section IV, if and whenever the Corporation shall after the date of these Articles as set forth below (the "Effective Date") issue or sell, or is, in accordance with paragraphs d(1) through d(7) below, deemed to have issued or sold, any shares of Common Stock for consideration per share less than the Applicable Conversion Price with respect to shares of a series of Preferred Stock in effect immediately prior to the time of such issue or sale (such number being appropriately adjusted to reflect the occurrence of any event described in paragraph f below) (such lower price, the "Base Conversion Price"), then, forthwith upon such issue or sale, the Applicable Conversion Price with respect to such shares of Preferred Stock shall be reduced to equal the Base Conversion Price. For purposes of this paragraph d, the following paragraphs d(1) to d(7) shall also be applicable:

(1) Issuance of Rights or Options. In case at any time after the Effective Date the Corporation shall in any manner grant (whether directly or by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or security convertible into or exchangeable for Common Stock (such warrants, rights or options being called "Options" and such convertible or exchangeable stock or securities being called "Convertible Securities"), or shall fix a record date for the determination of the holders of any class of securities entitled to receive any such Options or Convertible Securities, whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Options or upon the conversion

or exchange of such Convertible Securities (determined by dividing (a) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (b) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Applicable Conversion Price with respect to any shares of Series A Preferred Stock in effect immediately prior to the time of the granting of such Options, or, in case such a record date shall have been fixed, immediately prior to the close of business on such record date, then the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have been issued for such price per share as of the date of granting of such Options or the issuance of such Convertible Securities, or, in case such a record date shall have been fixed, prior to the close of business on such record date, and thereafter shall be deemed to be outstanding. Except as otherwise provided in paragraph d(3), no adjustment of the Applicable Conversion Price with respect to any shares of such series of Preferred Stock shall be made upon the actual issue of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issue of such Common Stock upon conversion or exchange of such Convertible Securities.

(2) Issuance of Convertible Securities. Except upon the exercise of an Option referred to in paragraph (d)(1), above, in case at any time after the Effective Date the Corporation shall in any manner issue (whether directly or by assumption in a merger or otherwise) or sell any Convertible Securities, or shall fix a record date for the determination of the holders of any class of securities entitled to receive any such Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (a) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities prior to giving effect to any anti-dilution provision or feature of such securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof, by (b) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Applicable Conversion Price with respect to any shares of either series of Preferred Stock in effect immediately prior to the time of such issue or sale, or, in case such a record date shall have been fixed, immediately prior to the close of business on such record date, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued for such price per share as of the date of the issue or sale of such Convertible Securities, or, in case such a record date shall have been fixed, as of the close of business on such record date, and thereafter shall be deemed to be outstanding, provided that if any such issue or sale of such Convertible Securities is made upon exercise of any Options to purchase any such Convertible Securities for which adjustments of the Applicable Conversion Price for any shares of a particular series of Preferred Stock have been or

are to be made pursuant to other provisions of this paragraph d, no further adjustment of such Applicable Conversion Price shall be made by reason of such issue or sale.

(3) Change in Option Price or Conversion Rate. Upon the happening of any of the following events at any time after the Effective Date, namely, if the purchase price provided for in any Options referred to in paragraph d(1), the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in paragraph d(1) or d(2), or the rate at which Convertible Securities referred to in paragraph d(1) or d(2) are convertible into or exchangeable for Common Stock shall change at any time (including, but not limited to, changes under or by reason of provisions designed to protect against dilution), the Applicable Conversion Price with respect to any shares of such series of Preferred Stock in effect at the time of such event shall forthwith be readjusted to the Applicable Conversion Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment the Applicable Conversion Price then in effect hereunder is thereby reduced (appropriately adjusted to reflect the occurrence of any event described in paragraph d); provided, however, that no such adjustment of the Applicable Conversion Price shall affect Common Stock previously issued upon conversion of any Preferred Stock; and on the termination of any such Options or any such right to convert or exchange such Convertible Securities, such Applicable Conversion Price then in effect hereunder shall forthwith be increased to the Applicable Conversion Price which would have been in effect at the time of such termination as though such Options or Convertible Securities, to the extent outstanding immediately prior to such termination, had never been issued.

(4) Stock Dividends.

i) In case the Corporation shall at any time after the Effective Date declare a dividend or make any other distribution upon any stock of the Corporation payable in Common Stock, Options or Convertible Securities, then any Common Stock, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to be outstanding upon such declaration and to have been issued or sold without consideration.

ii) In case the Corporation shall at any time after the Effective Date make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation other than shares of Common Stock, then and in each such event provision shall be made so that the holders of the Preferred Stock shall receive upon conversion thereof in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Corporation that they would have received had the 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, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this paragraph with respect to the rights of the holders of the Preferred Stock.

iii) Notwithstanding any provision of this paragraph (d)(4) to the contrary, no adjustment to the Applicable Conversion Price shall be required and no provision for future issuance of such dividend or other distribution, together with applicable adjustments thereto, upon conversion of shares of Preferred Stock shall be required if, simultaneously with any payment of any such dividend or distribution, the holders of Preferred Stock receive a dividend or other distribution of securities in an amount equal to the amount of such securities as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event (and in the same form as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event).

(5) Consideration for Stock. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Corporation therefor. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for property, the value of such property received by the Corporation shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for anything other than cash or property (including securities issued for services or in connection with the making of a loan) no value shall be allocated for such services.

(6) Record Date. In case the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them (a) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or (b) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(7) Treasury Shares. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation, and the disposition of any such shares (other than by retirement) shall be considered an issue or sale of Common Stock for the purpose of this paragraph d.

e. Certain Issues of Common Stock Excepted. Anything herein to the contrary notwithstanding, the Corporation shall not be required to make any adjustment of the Applicable Conversion Price pursuant to paragraph (d) with respect to (1) shares of Common Stock issuable upon conversion of the Series A Preferred Stock; (2) shares of Series A Preferred Stock issuable as a dividend on the Series A Preferred Stock; (3) shares (appropriately adjusted to reflect the occurrence of an event described in paragraph f) of Common Stock or Options to acquire shares of Common Stock issued or issuable to officers, directors, employees, or consultants of the Corporation pursuant to a stock option plan or restricted stock plan or agreement approved by Board of Directors; (4) Common Stock, or securities convertible into Common Stock, issued to banks or other financial institutions in connection with the provision of loan or lease arrangements approved by the Board of Directors of the Corporation; and (5) the issuance of securities upon exercise or conversion of any of the securities listed under (2)

through (4) above. Notwithstanding the foregoing, in no event shall the aggregate of the Common Stock, Options, and convertible securities, calculated on an as-converted to Common Stock basis, issued pursuant to clauses 3, 4 and 5 (if in connection with an issuance of securities upon exercise or conversion of any of the securities listed under clause 3 or 4 above) above, exceed fifteen percent (15%) of the Common Stock and Series A Preferred Stock, calculated on an as-converted basis, issued and outstanding on the Effective Date

f. Subdivision or Combination of Common Stock. In case the Corporation shall at any time after the Effective Date subdivide (by any stock split, stock dividend or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Applicable Conversion Price with respect to each series of Preferred Stock in effect immediately prior to such subdivision shall be proportionately reduced, and, conversely, in case the outstanding shares of Common Stock shall be combined into a smaller number of shares, the Applicable Conversion Price with respect to each series of Preferred Stock in effect immediately prior to such combination shall be proportionately increased.

g. Reorganization or Reclassification. If any capital reorganization, reclassification, recapitalization, consolidation, merger, sale of all or substantially all of the Corporation's assets or other similar transaction (any such transaction being referred to herein as an "Organic Change") shall be effected in such a way that holders of Common Stock shall be entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock, then, as a condition of such Organic Change, lawful and adequate provisions shall be made whereby each holder of a share or shares of Preferred Stock shall thereupon have the right to receive (but not in limitation of the rights granted in paragraph d of Section III), upon the basis and upon the terms and conditions specified herein and in lieu of or in addition to, as the case may be, the shares of Common Stock immediately theretofore receivable upon the conversion of such share or shares of Preferred Stock, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such Common Stock immediately theretofore receivable upon such conversion had such Organic Change not taken place. In any such case, only appropriate provisions shall be made with respect to the rights and interests of such holder to the end that the provisions hereof (including without limitation provisions for adjustments of the Applicable Conversion Price with respect to each series of Preferred Stock) shall thereafter be applicable, as nearly as may be, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise of such conversion rights.

h. Notice of Adjustment. Upon any adjustment of the Applicable Conversion Price with respect to any shares of either series of Preferred Stock, then and in each such case, the Corporation shall give written notice thereof, by delivery in person, certified or registered mail, return receipt requested, or telecopier, addressed to each holder of shares of Preferred Stock at the address of such holder as shown on the books of the Corporation, which notice shall state the Applicable Conversion Price with respect to the shares of each such series of Preferred Stock resulting from such adjustment, setting forth in reasonable detail the method upon which such calculation is based.

i. Other Notices. In case at any time:

(1) the Corporation shall declare any dividend or distribution upon its Common Stock payable in cash, property, stock or other securities;

(2) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, or a Sale of the Corporation;

(3) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation; or

(4) the Corporation shall propose to offer for subscription pro rata to the holders of any class or series of stock any additional shares of stock of any class or series or other rights;

then, in any one or more of said cases, the Corporation shall give, by delivery in person, certified or registered mail, return receipt requested or telecopier, addressed to each holder of any shares of Preferred Stock at the address of such holder as shown on the books of the Corporation, (a) at least 20 days' prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, Sale of the Corporation, dissolution, liquidation or winding up and (b) in the case of any such reorganization, reclassification, Sale of the Corporation, dissolution, liquidation or winding up, at least 10 days' prior written notice of the expected date when the same shall take place. Such notice in accordance with the foregoing clause (1) shall also specify, in the case of any such dividend, distribution or subscription rights, the date on which the holders of Common Stock shall be entitled thereto and such notice in accordance with the foregoing clause (2) shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, Sale of the Corporation, dissolution, liquidation or winding up, as the case may be. Such notice shall be deemed given when received if delivered in person or by telecopier (with confirmation of receipt), or three (3) days after being sent by certified or registered mail.

j. Stock to be Reserved. The Corporation will at all times reserve and keep available out of its authorized Common Stock, solely for the purpose of issuance upon the conversion of Preferred Stock as herein provided, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all outstanding shares of 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 Preferred Stock, the Corporation shall take such action as may, in the opinion of its counsel, be necessary to increase the authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation of the Corporation. The Corporation covenants that all shares of Common Stock which shall be so issued shall be duly and validly issued and fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof, and, without limiting the generality of the foregoing, the Corporation covenants that it will from time to time take all such action as may be

required to assure that the par value per share of the Common Stock is at all times equal to or less than the Applicable Conversion Price with respect to all shares of either series of the Preferred Stock in effect at the time. The Corporation will take all such action as may be necessary to assure that all such shares of Common Stock may be so issued without violation of any applicable law or regulation, or of any requirement of any national securities exchange upon which the Common Stock may be listed.

k. No Reissuance of Preferred Stock. Shares of Preferred Stock which are converted into shares of Common Stock as provided herein shall not be reissued.

l. Issue Tax. The issuance of certificates for shares of Common Stock upon conversion of Preferred Stock shall be made without charge to the holders thereof for any issuance tax in respect thereof, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the Preferred Stock which is being converted.

m. Closing of Books. The Corporation will at no time close its transfer books against the transfer of any Preferred Stock or of any shares of Common Stock issued or issuable upon the conversion of any shares of Preferred Stock in any manner which interferes with the timely conversion of such Preferred Stock, except as may otherwise be required to comply with applicable securities laws.

n. Mandatory Conversion. Each share of Series A Preferred Stock shall automatically convert to shares of Common Stock on the basis set forth in this Section IV upon the earlier to occur of:

(1) the closing of a firm commitment underwritten public offering of shares of Common Stock (a) with gross proceeds to the Corporation (after deduction for underwriter commissions and expenses) of at least \$50,000,000 and (b) a price per share public offering price at least equal to \$2.00 (appropriately adjusted to reflect any subdivision, stock split, or combination of the Common Stock after the date hereof); or

(2) the consent or approval of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock originally purchased by Vicis, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class.

o. No Impairment. The Corporation will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section IV and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of shares of Preferred Stock against impairment.

p. Redeemed or Otherwise Acquired Shares to be Retired. Any shares of Preferred Stock redeemed or otherwise acquired by the Corporation in any manner whatsoever shall be canceled and shall not under any circumstances be reissued; and the



Corporation may from time to time take such appropriate corporate action as may be necessary to reduce accordingly the number of authorized shares of Preferred Stock.

## V. DEFINITIONS

As used herein, the following terms shall have the following meanings:

a. The term "Person" shall mean an individual, partnership, corporation, unincorporated organization or association, limited liability company, trust or other entity.

b. The term "Sale of the Corporation" shall mean (1) a merger, combination, consolidation or similar business combination involving the Corporation in which the holders of voting securities of the Corporation immediately prior thereto are not the holders of a majority in interest of the voting securities of the surviving entity in such transaction, (2) a sale, lease or conveyance of all or substantially all of the assets of the Corporation, or (3) a sale of a majority of the outstanding voting securities of the Corporation other than in a public offering of such securities in which the holders of voting securities of the Corporation immediately prior thereto are not the holders of a majority in interest of the voting securities of the Corporation after such sale.

c. The term "Stated Value" shall mean \$1.00 per share with respect to the Series A Preferred Stock (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends, recapitalizations, reclassifications and similar events affecting such series of Preferred Stock).

d. The term "Subsidiary" shall mean any corporation, partnership, trust or other entity of which the Corporation and/or any of its other subsidiaries directly or indirectly owns at the time a majority of the outstanding voting securities of such corporation, partnership, trust or other entity.

## B. COMMON STOCK

I. PRIORITY. All preferences, voting powers, dividend rights, relative, participating, optional or other special rights and privileges, and qualifications, limitations, or restrictions of the Common Stock are expressly made subject and subordinate to those that may be fixed with respect to any shares of the Preferred Stock.

II. VOTING RIGHTS. Except as otherwise required by law or these Articles of Incorporation, each holder of Common Stock shall have one vote in respect of each share of stock held by such stockholder of record on the books of the Corporation for the election of directors and on all matters submitted to a vote of stockholders of the Corporation. Except as may be otherwise provided in these Articles of Incorporation or by law, the Common Stock shall vote together with all other classes and series of stock of the Corporation (including the Series A Preferred Stock) as a single class on all actions to be taken by the stockholders of the Corporation. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding or reserved for the exercise of options or warrants or conversion of the Series A Preferred Stock) by the affirmative vote of the

holders of a majority of the capital stock of the Corporation entitled to vote, voting together as a single class, irrespective of any provisions of the Florida Business Corporation Act to the contrary.

III. DIVIDENDS. Subject to Section A. II. above, the holders of shares of Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors of the Corporation, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property or in shares of capital stock.

IV. LIQUIDATION. Upon the dissolution or liquidation of the Corporation, whether voluntary or involuntary, holders of Common Stock will be entitled to receive all assets of the Corporation available for distribution to its stockholders, subject to any preferential liquidation rights and any participation rights of any then outstanding Preferred Stock."