

7/08/97

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CONTACT: BEVERLY F BRYAN
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Amendment
7-9-97

De

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
TRIDENT MEDICAL CONCEPTS, INC.**

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 607.1006 of the Business Corporation Act of the State of Florida, the undersigned President of TRIDENT MEDICAL CONCEPTS, INC., a corporation organized and existing under and by virtue of the Business Corporation Act of the State of Florida ("Corporation"), bearing document number P96000061222, does hereby certify:

First: That pursuant to written consent of the majority of the Shareholders and all of the Directors of said Corporation on March 31, 1997, the Shareholders and Directors approved the amendment to the Corporation's Articles of Incorporation as follows:

"Article III. Capital Stock" of the Articles of Incorporation of this Corporation is revised to include the following:

C. Series of Preferred Stock

(1) Designation of Preferred Stock as Series A Convertible Preferred Stock.

The following series of Series A Convertible Preferred Stock ("Series A Preferred Stock") is hereby designated, which series shall have the rights, preferences, privileges and limitations as set forth below in this paragraph.

(a) Designation and Number of Shares.

The Series A Preferred Stock shall be designated "Series A Convertible Preferred Stock" of a par value of \$.001 each, and the number of shares constituting the Series A Convertible Preferred Stock shall be 2,500,000 shares.

Roxanne K. Beilly, Esq., FL Bar # 851450
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(b) Redemption.

In the event that any shares of Series A Preferred Stock have not been converted pursuant hereto prior to December 31, 1999, the Series A Preferred Stock shall be redeemed by the Corporation on December 31, 1999, at a redemption price of One Dollar and Forty-Three Cents (\$1.43) per share.

Any shares of Series A Preferred Stock which shall at any time have been redeemed, or which shall have been converted into Common Stock, shall, after such redemption or conversion, have the status of authorized but unissued preferred stock, without designation as to series until such stock is once more designated as part of a particular series by the Corporation's Board of Directors.

A notice of redemption shall be sent to all holders of Series A Preferred Stock sixty (60) days prior to the date of redemption (the "Redemption Date"). A shareholder shall be permitted to convert such holders' shares of Series A Preferred Stock prior to such Redemption Date by providing written notice to the Corporation prior to such date.

(c) Voting Rights.

Each share of Series A Preferred Stock shall have one (1) vote per share and the Series A Preferred Stock shall vote with the Common Stock as a single class on all matters in which the Common Stock is entitled to vote.

(d) Liquidation Rights.

In the event of the liquidation, dissolution or winding up of the Corporation, holders of the Series A Preferred Stock shall be entitled to receive, after due payment or provision for payment of the debts and other liabilities of the Corporation, a liquidating distribution before any distribution may be made to holders of Common Stock or any other series of preferred stock of the Corporation, except in the case of any additional shares of preferred stock constituting Additional Preferred Series which may have the equivalent or superior rights to the specified liquidating distribution as provided for in the Series A Preferred Stock. Upon any liquidation, dissolution or winding up, whether voluntary or involuntary, the holders of the Series A Preferred Stock outstanding shall be entitled to receive an amount equal to \$1.43 per share.

(e) Conversion

(1) Each share of Series A Preferred 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 Corporation or any transfer

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for the Series A Preferred Stock, into one fully paid and nonassessable share of Common Stock. Subject to adjustment as provided for herein, the initial Conversion Price is \$1.43 per share. The Initial Conversion Price is subject to adjustment from time to time as provided herein; provided, however, that in no event shall the Conversion Price be less than the per share amount of the liquidation distribution of the Series A Preferred Stock as set forth herein (such amount being subject to appropriate adjustment to reflect any stock split, stock dividend, reverse stock split or other similar event affecting the Common Stock occurring after the date hereof).

(2) Before any holder of Series A Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, and shall give written notice to the Corporation at such office that such holder elects to convert the same and shall state therein the applicable Conversion Price and the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. The Corporation shall as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Series A Preferred 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.

(3) Notwithstanding the foregoing, each share of Series A Preferred Stock shall automatically be converted into the number of shares of Common Stock, as determined by the applicable Conversion Price, immediately upon the closing of the sale of any equity securities of the Corporation in a public offering registered under the Securities Act of 1933, as amended (the "Act"), or the Corporation is merged or consolidated with a public entity (other than ClineCorp) and the Corporation is not the surviving entity (as adjusted for any recapitalizations, stock splits or other similar events affecting the Common Stock), other than a registration relating solely to a transaction under Rule 145 under the Act (or any successor thereto) or to an employee benefit plan of the Corporation. The Common Stock issued upon such conversion shall be registered in the names in which the Series A Preferred Stock so converted was registered. Following such automatic conversion, upon the surrender by any holder of Series A Preferred Stock of the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such stock, together with a notice as

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to the name or names in which the holder wishes the certificate or certificates for shares of Common Stock to be issued, the Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid.

(4) In case, at any time after the date hereof, of any capital reorganization, or of any reclassification of capital stock of the Corporation, or in case of the consolidation or merger of the Corporation with or into any other corporation, or in the case of the sale of all or substantially all the properties of the Corporation as an entirety to any other corporation, each share of Series A Preferred Stock shall after such capital reorganization, reclassification of capital stock, consolidation, merger or sale be convertible into the kind and number of shares of capital stock or other securities or property of the corporation resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold to which such holder would have been entitled if such holder had held the Common Stock issuable upon the conversion of its shares of Series A Preferred Stock immediately prior to such capital reorganization, reclassification of capital stock, consolidation, merger or sale.

(5) In the event the Corporation at any time or from time to time shall make or issue a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into or entitling the holder thereof to receive additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder of such Common Stock Equivalents or the additional shares of Common Stock, without a proportionate and corresponding dividend or other distribution to holders of Series A Preferred Stock, then and in each such event the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents shall be deemed, for purposes of this subsection (e)(5), to be issued and outstanding as of the time of such issuance. In each such event the then applicable Conversion Price shall be decreased as of the time of such issuance by multiplying the then applicable Conversion Price by a fraction,

(A) the numerator of which shall be the total number of shares of Common Stock issued and outstanding or deemed to be issued and outstanding immediately prior to the time of such issuance; and

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(B) the denominator of which shall be the total number of shares of Common Stock (x) issued and outstanding or deemed pursuant to the terms hereof to be issued and outstanding (not including any shares described in clause (y) immediately below), immediately prior to the time of such issuance, plus (y) the number of shares of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents; and provided, however, (i) if such Common Stock Equivalents provide, with the passage of time or otherwise, for any decrease or increase in the number of shares of Common Stock issuable upon conversion or exercise thereof, the Conversion Price computed upon the original issue thereof, and any subsequent adjustments based thereon, shall, upon any such decrease or increase becoming effective, be recomputed to reflect such decrease or increase insofar as it affects the rights of conversion or exercise of the Common Stock Equivalents then outstanding; or (ii) upon the expiration of any rights of conversion or exercise under any unexercised Common Stock Equivalents, the Conversion Price computed upon the original issue thereof, and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if the only additional shares of Common Stock issued were the shares of such stock, if any, actually issued upon the conversion or exercise of such Common Stock Equivalents; or (iii) in the event of issuance of Common Stock Equivalents which expire by their terms not more than sixty (60) days after the date of issuance thereof, no adjustments of the Conversion Price shall be made until the expiration or exercise of all such Common Stock Equivalents, whereupon such adjustment shall be made in the manner provided in this subsection (e)(5).

(C) In the event that it becomes necessary to determine the Conversion Price after the fixing of a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or Common Stock Equivalents but before the issuance of such shares of Common Stock or Common Stock Equivalents, the computation shall be made as if the maximum number of shares of Common Stock or Common Stock Equivalents, as the case may be, had been made on the record date and shall be adjusted on the issue date to reflect the number of shares of Common Stock or Common Stock Equivalents actually issued.

(6) Except as otherwise provided in this subsection (e)(6), and subject to the limitation set forth in subsection (e)(1) above, in the event the Corporation sells or issues any Common Stock or Common Stock Equivalents, at a per share consideration (as defined below) less than the Conversion Price then in effect for the Series A Preferred Stock, then the Conversion Price then in effect shall be adjusted as provided in

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subparagraphs (A), (B), (C), and (D) hereof. For the purposes of the foregoing, the per share consideration with respect to the sale or issuance of Common Stock shall be the price per share received by the Corporation, prior to the payment of any expenses, commissions, discounts and other applicable costs. With respect to the sale or issuance of Common Stock Equivalents which are convertible into or exchangeable for Common Stock without further consideration, the per share consideration shall be determined by dividing the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable with respect to such Common Stock Equivalents into the aggregate consideration received by the Corporation upon the sale or issuance of such Common Stock Equivalents. With respect to the issuance of other Common Stock Equivalents, the per share consideration shall be determined by dividing the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable with respect to such Common Stock Equivalents into the total aggregate consideration received by the Corporation upon the sale or issuance of such Common Stock Equivalents plus the total consideration receivable by the Corporation upon the conversion or exercise of such Common Stock Equivalents. In connection with the sale or issuance of Common Stock and/or Common Stock Equivalents for noncash consideration, the amount of consideration shall be determined by the Board of Directors of the Corporation.

As used in this subsection (e)(6), "Additional Shares of Common Stock" shall mean either shares of Common Stock issued subsequent to April 8, 1997 or, with respect to the issuance of Common Stock Equivalents, the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable in exchange for, upon conversion of, or upon exercise of such Common Stock Equivalents.

(A) Upon each issuance of Common Stock for a per share consideration less than the Conversion Price in effect on the date of such issuance, the Conversion Price of the Series A Preferred Stock in effect on such date will be adjusted by multiplying it by a fraction:

(x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to the issuance of such Additional Shares of Common Stock plus the number of shares of Common Stock which the aggregate net consideration received by the Corporation for the total number of such Additional Shares of

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Common Stock so issued would purchase at the Conversion Price then in effect, and

(y) the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to the issuance of such Additional Shares of Common Stock, plus the number of such Additional Shares of Common Stock so issued.

(B) Upon each issuance of Common Stock Equivalents for a per share consideration less than the Conversion Price in effect on the date of such issuance, the Conversion Price of the Series A Preferred Stock in effect on such date will be adjusted as in subparagraph (A) of this subsection (e)(6) on the basis that the related Additional Shares of Common Stock are to be treated as having been issued on the date of issuance of the Common Stock Equivalents, and the aggregate consideration received by the Corporation for such Common Stock Equivalents shall be deemed to have been received for such Additional Shares of Common Stock.

(C) Once any Additional Shares of Common Stock have been treated as having been issued for the purposes of this subsection (e)(6), they shall be treated as issued and outstanding shares of Common Stock whenever any subsequent calculations must be made pursuant hereto. On the expiration of any options, warrants or rights to purchase Additional Shares of Common Stock, the termination of any rights to convert or exchange for Additional Shares of Common Stock, the expiration of any options or rights related to such convertible or exchangeable securities on account of which an adjustment in the Conversion Price has been made previously pursuant to this subsection (e)(6) or the expiration or termination of any Common Stock Equivalents, then the Conversion Price shall forthwith be readjusted to such Conversion Price as would have been obtained had the adjustment made upon the issuance of such options, warrants, rights, securities or options or rights related to such securities or Common Stock Equivalents been made upon the basis of the issuance of only the number of shares of Common Stock actually issued upon the exercise of such options, warrants or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities or upon the exercise of the Common Stock Equivalents.

(D) The foregoing notwithstanding, no adjustment of the Conversion Price shall be made as a result of the issuance of the following, but such shares of Common Stock shall be deemed to be outstanding upon Issuance for all other purposes hereof.

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(x) any shares of Common Stock pursuant to which the Conversion Price has been adjusted under subsection (4) or (5) of this subsection (e); or

(y) any shares of Common Stock issued pursuant to the exchange, conversion or exercise of any Common Stock Equivalents which have previously been incorporated into computations hereunder on the date when such Common Stock Equivalents were issued.

(7) Notwithstanding the foregoing provisions of subsection (e), in no event shall any adjustments or readjustments of the Conversion Price be made as a result of the issuance of, nor shall any calculations of the Conversion Price at any time after any such issuance include as outstanding (a) any shares of Common Stock issued in connection with the acquisition by the Corporation of the stock or assets of another corporation or other non-cash asset or (b) any shares of Common Stock or Common Stock Equivalents issued pursuant to compensatory plans or arrangements for the Corporation's employees, officers, directors or consultants which are approved by the Board of Directors.

(8) No adjustment to the Conversion Price shall be made if such adjustment would result in a change in the Conversion Price of less than \$.01. Any adjustment of less than \$.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of \$.01 or more in the Conversion Price.

(9) Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this subsection (e), the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and cause the chief financial officer of the Corporation to verify such computation and prepare and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at that time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at that time would be received upon the conversion of Series A Preferred Stock.

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(10) In the event of any taking by the Corporation of a record of the holders of any class of securities other than Series A Preferred Stock for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, any Common Stock Equivalents or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Series A Preferred Stock at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or rights, and the amount and character of such dividend, distribution or rights.

(11) 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 Series A 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 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 Series A Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(12) In addition to any other rights provided by law, so long as any Series A Preferred Stock shall be outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of not less than 50% of such outstanding shares of Series A Preferred Stock, amend or repeal any provision of, or add any provision to, the Corporation's Articles of Incorporation or Bylaws, as amended, or file any certificate of designations, preferences and rights of any series of Series A Convertible Preferred Stock of the Corporation, if such action would authorize any class of securities senior to, or on a parity with, the Series A Preferred Stock, or otherwise alter or change the preferences, rights, privileges or powers of, or the restrictions provided for the benefit of, any

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Series A Preferred Stock. Nothing herein shall be deemed to restrict the Board of Directors from amending the terms hereof prior to the issuance of any Series A Preferred Stock.

(f) Dividend Rights

The Series A Preferred Stock shall have no right to receive dividends from the Corporation except as may be declared and set upon the special resolution of the Board of Directors. No dividends shall be declared or paid as to shares of the Corporation's Common Stock unless holders of the Series A Preferred Stock shall receive the same dividend.

(g) Registration Rights

The holders of the Series A Preferred Stock shall have the right to include the shares of Common Stock underlying the Series A Preferred Stock in a registration statement filed by the Corporation with the Securities and Exchange Commission in connection with an initial public offering. Notwithstanding the foregoing, the Series A Preferred Stock registered by the Corporation in connection with an initial public offering, may be subject to restrictions imposed by the underwriter, the National Association of Securities Dealers, Inc. ("NASD"), the National Association of Securities Dealers Automated Quotation System ("NASDAQ") and/or any other regulatory agency in connection with the Corporation's initial public offering, upon the ability of the holders to sell, pledge, hypothecate, encumber or otherwise dispose of any of the Common Stock underlying the Series A Preferred Stock for a period of at least six (6) months following the effective date of the Corporation's initial public offering, subject to earlier release at the discretion of the underwriter of the Corporation's initial public offering or such later date as may be required by the underwriter, NASD, NASDAQ and/or other regulatory agency in connection with the Corporation's initial public offering.

(h) Additional Preferred Series

The Corporation is permitted to designate and issue any other series of preferred stock of the Corporation, except that without the consent of a majority of the holders of the Series A Preferred Stock any other series shall not have any rights, preferences, privileges and limitations superior to the Series A Preferred Stock.

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The foregoing amendment was adopted, pursuant to the Florida Business Corporation Act, by all of the Directors and a majority of the Shareholders of the Common Stock of the Corporation, which shares consenting and voted represented a majority of the total issued and outstanding capital stock of the Corporation entitled to vote, pursuant to written consent dated March 31, 1997. Therefore, the number of votes cast by the Shareholders of the Corporation for the amendment to the Corporation's Articles of Incorporation was sufficient for approval.

IN WITNESS WHEREOF, the undersigned, being the President of this Corporation, has executed these Articles of Amendment as of July 3, 1997.

TRIDENT MEDICAL CONCEPTS, INC.

By: 
Anthony J. Gigliotti, Chairman and
Chief Executive Officer

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