

P960000067690

DEAN, MEAD, EGERTON, BLOODWORTH, CAPOUANO & BOZARTH, P. A.

ATTORNEYS AND COUNSELORS AT LAW

P. O. BOX #146
ORLANDO, FLORIDA 32802 #348

800 NORTH MAGNOLIA AVENUE
SUITE 1800
ORLANDO, FLORIDA 32803

(407) 841-1800
FAX (407) 483-1831

WRITER'S DIRECT DIAL NO.
(407) 428-5119

August 9, 1996

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-08/13/96--01070--009
*****70.00 *****70.00

Florida Department of State
Division of Corporations
Post Office Box 6327
Tallahassee, FL 32314

EFFECTIVE DATE
8-8-96

Re: Articles of Incorporation of Physicians/
Hospital Corporation of Florida, Inc.

Gentlemen:

Enclosed are an original and one copy of the Articles of Incorporation of Physicians/Hospital Corporation of Florida, Inc., together with a check for \$70.00 to cover the \$35.00 filing fee and \$35.00 fee for designation of registered agent.

Because the corporation's existence commences on the date of execution of the Articles (August 8, 1996), please see that the Articles are filed on or before August 15, 1996.

After the Articles of Incorporation have been filed, the copy, stamped with the date of filing, should be returned to this office.

Sincerely,

Mary F. Fendle

Mary F. Fendle, Legal Assistant
to Alan H. Daniels

:mff

Enclosures (3)

cc: Prafulla Kirtana, M.D. w/enclosure
Jack Cassell, M.D. w/enclosure
Philip L. Sanchez, M.D. w/enclosure

FILED
96 AUG 12 PM 2:20
DEAN, MEAD & MINTON
P.O. BOX 1700
TALLAHASSEE, FL 32314

8-11-96
KR

ARTICLES OF INCORPORATION
OF
PHYSICIANS/HOSPITAL CORPORATION OF FLORIDA, INC.

EFFECTIVE DATE

8-8-96

FILED
1996 AUG 12 PM 3:20
STATE OF FLORIDA
CLERK OF THE CIRCUIT COURT

The undersigned, acting as incorporator of this Corporation pursuant to Chapter 607 of the Florida Statutes, hereby forms a corporation for profit under the laws of the State of Florida and adopts the following Articles of Incorporation for such Corporation:

ARTICLE I - NAME OF CORPORATION

The name of this Corporation shall be Physicians/Hospital Corporation of Florida, Inc.

ARTICLE II - PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office of this Corporation shall be located at 800 North Magnolia Avenue, Suite 1500, Orlando, Florida 32803, which shall also be the mailing address of the Corporation.

ARTICLE III - CAPITAL STOCK

The maximum number of shares of capital stock that this Corporation is authorized to issue and have outstanding at any one time is one hundred (100) shares of common stock having a par value of One Dollar (\$1.00) per share.

ARTICLE IV - INITIAL REGISTERED OFFICE AND REGISTERED AGENT

The initial street address of the registered office of this Corporation in the State of Florida shall be 800 North Magnolia Avenue, Suite 1500, Orlando, Florida 32803. The Board of Directors may from time to time move the registered office to any other address in Florida. The name of the initial registered agent

of this Corporation at that address is Alan H. Daniels. The Board of Directors may from time to time designate a new registered agent.

ARTICLE V - INCORPORATOR

The name and address of the incorporator of this Corporation are:

<u>Name</u>	<u>Address</u>
Alan H. Daniels	800 North Magnolia Avenue Suite 1500 Orlando, Florida 32803

ARTICLE VI - PURPOSE

The general purpose for which this Corporation is organized shall be to conduct and transact any and all lawful business authorized or not prohibited by Chapter 607 of the Florida Statutes, as the same may be from time to time amended.

ARTICLE VII - DATE OF EXISTENCE

This Corporation shall exist perpetually, commencing on the date of execution of these Articles of Incorporation.

ARTICLE VIII - INDEMNIFICATION

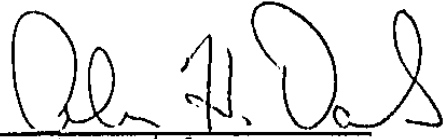
This Corporation shall indemnify any officer or director, or any former officer or director, to the full extent permitted by law.

IN WITNESS WHEREOF, the undersigned incorporator has made and subscribed these Articles of Incorporation at Orlando, Florida, this 8th day of August, 1996.



Alan H. Daniels

Having been named as registered agent for the above mentioned Corporation, at the place designated in the foregoing Articles of Incorporation, I hereby accept such designation and agree to act in such capacity, and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties as registered agent. I am familiar with, and accept the duties and obligations of, Section 607.0505 of the Florida Statutes.

Signature: 

Alan H. Daniels

Date: August 8th, 1996

FILED
95 AUG 12 PM 2:20
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

CAPITAL CONNECTION, INC.

417 E. Virginia Street, Suite 1 • Tallahassee, Florida 32302
(904) 224-8870 • 1-800-342-8062 • Fax (904) 222-1222

P96000067690

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08/13/97--01006--030

*****87.50 *****87.50

Restated Articles
& Name Change

- ___ Art of Inc. File
- ___ LTD Partnership File
- ___ Foreign Corp. File
- ___ L.C. File
- ___ Fictitious Name File
- ___ Name Reservation
- ___ Merger File
- ___ Art. of Amend. File
- ___ RA Resignation
- ___ Dissolution / Withdrawal
- ___ Annual Report / Reinstatement
- ___ Cert. Copy
- ___ Photo Copy
- ___ Certificate of Good Standing
- ___ Certificate of Status
- ___ Certificate of Fictitious Name
- ___ Corp Record Search
- ___ Officer Search
- ___ Fictitious Search
- ___ Fictitious Owner Search
- ___ Vehicle Search
- ___ Driving Record
- ___ UCC 1 or 3 File
- ___ UCC 11 Search
- ___ UCC 11 Retrieval
- ___ Courier

FILED
97 AUG 13 PM 12:43
TALLAHASSEE, FLORIDA
SECRETARY OF STATE

Physicians/Hospital
Corporation of Florida,
Inc.

Name _____
Address _____
City _____
State _____
Zip _____
W.P. Venter

*00789, 00579, 00672

Signature _____

Requested by: DR

Name _____

Date 8/13

Time 10:19

Walk-In _____

Will Pick Up _____

RECEIVED
97 AUG 13 AM 10:46
DIVISION OF CORPORATION



FLORIDA DEPARTMENT OF STATE
Sandra B. Mortham
Secretary of State

August 13, 1997

Capital Connection, Inc.
417 E. Virginia St.
Suite 1
Tallahassee, FL 32302

SUBJECT: PHYSICIANS/HOSPITAL CORPORATION OF FLORIDA, INC.
Ref. Number: P96000067690

We have received your document for PHYSICIANS/HOSPITAL CORPORATION OF FLORIDA, INC. and your check(s) totaling \$87.50. However, the enclosed document has not been filed and is being returned for the following correction(s):

A certificate must accompany the Restated Articles of Incorporation setting forth either of the following statements: (1) The restatement was adopted by the board of directors and does not contain any amendment requiring shareholder approval. OR (2) If the restatement contains an amendment requiring shareholder approval, the date of adoption of the amendment and a statement setting forth the following: (a) the number of votes cast for the amendment by the shareholders was sufficient for approval (b) If more than one voting group was entitled to vote on the amendment, a statement designating each voting group entitled to vote separately on the amendment and a statement that the number of votes cast for the amendment by the shareholders in each voting group was sufficient for approval by that voting group.

If you have any questions concerning the filing of your document, please call (850) 487-6907.

Annette Hogan
Corporate Specialist

Letter Number: 397A00041025

Corrected
DIVISION OF CORPORATIONS
97 AUG 18 AM 10:18
RECEIVED

**RESTATED
ARTICLES OF INCORPORATION
OF
PHYSICIANS/HOSPITAL CORPORATION OF FLORIDA, INC.**

97 AUG 13 PM 12:43
FILED
TALLAHASSEE
FLORIDA

Physicians/Hospital Corporation of Florida, Inc., whose original Articles of Incorporation were filed by the Florida Department of State on August 12, 1996, effective August 8, 1996, does hereby amend and restate its Articles of Incorporation in accordance with Section 607.1007, Florida Statutes, as follows:

ARTICLE I - NAME OF CORPORATION

The name of this Corporation shall be "Physicians Hospital Corporation of Florida."

ARTICLE II - PRINCIPAL OFFICE AND MAILING ADDRESS

The principal office of this Corporation shall be located at 359 Carolina Avenue, Winter Park, Florida 32789, which shall also be the mailing address of the Corporation.

ARTICLE III - PURPOSE

The purpose of this Corporation is to own and operate, directly or indirectly, a health maintenance organization in Florida, and to conduct and transact any and all other lawful business authorized or not prohibited by Chapter 607 of the Florida Statutes, as the same may be from time to time amended.

ARTICLE IV - PERIOD OF EXISTENCE

This Corporation shall exist perpetually, commencing on August 8, 1996.

ARTICLE V - CAPITAL STOCK

The maximum number of shares of stock that this Corporation is authorized to issue and have outstanding at any one time is thirty million (30,000,000), of which ten million (10,000,00) shares, having a par value of \$0.001 per share, shall be shares of Class A common stock (the "Class A Stock"), ten million (10,000,000) shares, having a par value of \$0.001 per share, shall be shares of Class B common stock (the "Class B Stock") and ten million

(10,000,000) shares, having a par value of \$0.001 per share, shall be shares of Class C common stock (the "Class C Stock").

The preferences, qualifications, limitations and restrictions, and the special or relative rights with respect to the shares of each class of common stock are as follows:

A. Voting Rights.

(1) (i) Holders of Class A Stock, commencing with the annual meeting of the Corporation's shareholders held in the calendar year 1998 (the "1998 Shareholders Meeting"), shall be entitled to elect the Class A Directors of the Corporation in accordance with these Restated Articles and the Corporation's Bylaws. At any election of Class A Directors, holders of Class A Stock are entitled to cumulate their votes for Class A Directors.

(ii) If proposed amendments to the Corporation's Bylaws are subject to the approval of the Corporation's shareholders and have not been approved by the Corporation's Board of Directors, then, in addition to such proposed amendments being approved by the shareholders of the Corporation as a group and by any other separate voting group entitled to vote on such amendments, such amendments must be approved by the holders of the Class A Stock.

(2) (i) Holders of Class B Stock, commencing with the 1998 Shareholders Meeting, shall be entitled to elect the Class B Directors of the Corporation in accordance with these Restated Articles and the Corporation's Bylaws. At any election of Class B Directors, holders of Class B Stock are entitled to cumulate their votes for the election of Class B Directors.

(ii) If proposed amendments to the Corporation's Bylaws are subject to the approval of the Corporation's shareholders and have not been approved by the Corporation's Board of Directors, and if, at the time of such vote, there are at least 300,000 shares of Class B Stock outstanding (including shares of Class B Stock constituting Defaulted Stock), as appropriately adjusted to reflect stock splits or stock combinations occurring

subsequent to the date of these Restated Articles, then in addition to such proposed amendments being approved by the shareholders of the Corporation as a group and by any other separate voting group entitled to vote on such amendments, such amendments must be approved by the holders of the Class B Stock.

(3) Holders of Class C Stock, commencing with the 1998 Shareholders Meeting, shall be entitled to elect the Class C Directors of the Corporation in accordance with these Restated Articles and the Corporation's Bylaws. At any election of Class C Directors, holders of Class C Stock are entitled to cumulate their votes for the election of Class C Directors.

(4) Except as provided by law or expressly provided by these Restated Articles, shares of Class A Stock and/or Class B Stock constituting Defaulted Stock (as defined below), for purposes of voting on any matters subject to the approval of the shareholders of the Corporation as a group, or the approval of the holders of Class A Stock or Class B Stock, shall not be treated as "Class A Stock" or "Class B Stock" (or other voting common stock of the Corporation), and will be disregarded in determining whether, at any meeting of the shareholders or the shareholders of a specified class, a quorum of the shareholders (or the shareholders of any class) exists. For purposes hereof, "Defaulted Stock" means shares of Class A Stock or Class B Stock which are sold, pledged, hypothecated or otherwise transferred in violation of the restrictions on transferability set forth in Section C of this Article V; provided that such stock will cease to constitute Defaulted Stock at such time, if any, as 100% of the beneficial interests therein are transferred to or revert back to an individual entitled to subscribe to shares of stock of such class or to another person (whether an individual, estate, trust or other legal entity) with respect to whom such shares of stock may be transferred without violating the restrictions on transferability set forth in these Restated Articles.

B. Restrictions on Issuance.

(1) Shares of Class A Stock shall not be permitted to be subscribed for or issued by the Corporation except by or to (i) an individual who is eligible for medical staff

privileges at any hospital in the state of Florida, and (ii) any legal entity which employs, as an employee, an individual who is eligible for medical staff privileges at any hospital in Florida and who is engaged solely or primarily in carrying on a medical practice; provided that, the foregoing shall not preclude the Corporation from reissuing new certificates for Class A Stock transferred to an Eligible Class A Holder (as defined below). For purposes of this Article V, an "Eligible Class A Holder" means (a) any individual or legal entity described in Sections B.(1)(i) or (ii) of this Article V; (b) the estate, Family Members (as defined below) or Family Trusts (as defined below) of any individual described in Section B.(1)(i) of this Article V if, and only if, the Class A Stock owned by such individual was transferred to such Family Members or Family Trusts following the death of such individual; and (c) any estate, Family Member or Family Trust of any natural person described in Section B.(1)(b) of this Article V (or this Section B.(1)(c)) who acquired shares of Class A Stock originally issued by the Company to an individual described in Section B.(1)(i) of this Article V, (or such individual's employer), on or after the death of such individual.

(2) Shares of Class B stock shall not be permitted to be subscribed for or issued by the Corporation, except by or to a legal entity which is licensed in the state of Florida as an acute care or general acute care hospital (hereinafter referred to as an "Eligible Class B holder").

(3) Class C stock may be subscribed for by or issued by the Corporation to any individual or legal entity approved by the Corporation's Board of Directors.

(4) For purposes of these Restated Articles, the "Family Members" of any natural person shall mean (i) such person; (ii) such person's spouse; (iii) such person's siblings; (iv) such person's lineal ascendants and lineal descendants; (v) the lineal ascendants and lineal descendants of such person's siblings; and (vi) the spouse of any person otherwise described in Sections B.1(4)(iii), (iv) and (v) of this Article V.

For purposes of these Restated Articles, a trust shall qualify as a "Family Trust" of a natural person only if (vii) such trust is for the exclusive benefit of one or more of such person's Family Members (including the remaindermen of such trust); and (viii) the trustees of such trust are all Family Members of such person and/or corporate fiduciaries.

C. Restrictions on Transferability.

(1) Shares of Class A Stock shall not be permitted to be sold, pledged, hypothecated or otherwise transferred, in whole or in part, by any holder thereof, except to an Eligible Class A Holder.

(2) Shares of Class B Stock shall not be permitted to be sold, pledged, hypothecated or otherwise transferred, in whole or in part, by any holder thereof, except to an Eligible Class B Holder.

(3) There shall be no restrictions on the sale, pledge, hypothecation or other transfer of Class C Stock.

For purposes of this Article V, transfers of Class A Stock or Class B Stock include the grant of a proxy to vote such shares, in any respect, to a person not constituting an Eligible Class A Stockholder or Eligible Class B Stockholder, as the case may be, other than to an employee, agent or representative of the shareholder executing the proxy.

D. Optional Redemption by Corporation.

(1) The Corporation shall have the option to redeem all or a portion of the shares of Class A Stock owned by a holder thereof, for the price and in accordance with the terms set forth in Sections E and F of this Article V, at any time, except as set forth below, on or after the occurrence of one or more of the following events (the "Option Period"):

(i) Such Class A Stock constitutes Defaulted Stock; provided that the option to redeem such shares shall terminate, if not previously exercised, at such time, if any, as such shares no longer constitute Defaulted Stock.

(ii) Such holder, if a natural person, or, if a legal entity, one or more of such holder's employees, subsequent to being credentialed by the Corporation as an eligible provider of medical services pursuant to one or more plans or products offered or to be offered by the Corporation, fails to meet the Corporation's credentialing or re-credentialing requirements.

(iii) Such holder, if a natural person, or, if a legal entity, one or more of such holder's employees, after entering into a provider contract with the Corporation pursuant to which such holder, or one or more of such holder's employees, agrees to provide medical services to enrollees of plans or products offered by the Corporation, has such contract terminated by the Corporation because of: (1) quality of care issues, or (2) breach of such contract.

(2) The Corporation shall have the option to redeem all or a portion of the shares of Class B Stock owned by a holder thereof, for the price and in accordance with the terms set forth in Sections E and F of this Article V, at any time, except as set forth below, on or after the occurrence of one or more of the following events (the "Option Period"):

(i) Such Class B Stock constitutes Defaulted Stock; provided that the option to redeem such shares shall terminate, if not previously exercised, at such time, if any, as such shares no longer constitute Defaulted Stock.

(ii) Such holder sells all or substantially all of such holder's assets in one transaction or in a series of related or unrelated transactions.

(iii) Such holder merges or consolidates with or into another entity (other than a merger in which such holder shall survive).

(iv) Such holder undergoes a change in control (as defined below).

For this purpose, a "change in control" of any legal entity shall be deemed to occur if one or more of the following events occurs with respect to such holder: (1) if such holder is organized for profit, if at any time after such holder's first acquisition of Class B Stock, there is a sale,

assignment or transfer, in one transaction or in a series of related or unrelated transactions, of shares of voting stock or voting equity interests or such holder representing twenty-five percent (25%) or more of the outstanding voting stock or voting equity interests of such holder; or (2) such holder grants to another legal entity or other person (other than to members of such holder's board of directors, board of trustees or other similar governing body elected by such holder's members, shareholders or other voting equity holders), any management authority otherwise vested in such holder's board of directors, board of trustees or other similar governing body, if such other legal entity or the employer or principal of such other person does not own Class B Stock acquired from the Corporation (other than Class B Stock constituting Defaulted Stock) immediately prior to such grant.

(v) Such holder, regardless of whether such holder is an Eligible Class B Holder, purchases from any person, other than the Corporation, in one transaction or in a series of related or unrelated transactions, fifty percent (50%) or more of the shares of Class B Stock which such person (or such person's predecessor-in-interest) acquired from the Corporation, if immediately prior to the first purchase of such Class B Stock from such person, such holder was not otherwise a holder of shares of Class B Stock which such holder purchased from the Corporation.

(3) If there shall be a "control share acquisition" with respect to the Corporation (as defined in Section 607.0902, Florida Statutes), "control shares" (as defined in Section 607.0902, Florida Statutes) acquired in such control share acquisition with respect to which no "acquiring person's statement" (as defined in Section 607.0902, Florida Statutes) has been filed with the Corporation, may, at the option of the Corporation, at any time during the period (the "Option Period") ending sixty (60) days after the last acquisition of control shares by the acquiring person, be redeemed by the Corporation for the fair market value thereof pursuant to such procedures as may be adopted by the Corporation's Board of Directors.

To exercise any of the options granted the Corporation to redeem shares of its stock in accordance with Sections D(1), (2) and/or (3) of this Article V, such redemption must be approved by the Corporation's Board of Directors and the Corporation shall be required to deliver written notice (the "Redemption Notice") of the exercise thereof at any time during the Option Period to the holder of the shares to be redeemed (or, if unknown, to such holder's predecessor-in-interest), at such holder's (or such holder's predecessor-in-interest's) address reflected (or last reflected) on the books of the Corporation.

E. Redemption Price For Optional Redemptions. The redemption price for shares of Class A Stock or Class B Stock to be redeemed by the Corporation pursuant to the exercise of an option granted the Corporation pursuant to Sections D(1), or D(2) of this Article V, shall be the lesser of the redemption price calculated pursuant to Section E(1) below or the redemption price calculated pursuant to Section E(2) below:

(1) (i) The net book value of the Corporation (i.e., the book value of assets less liabilities), as of the last day (the "Valuation Date") of the calendar month immediately preceding the commencement of the applicable Option Period, shall be determined by the Corporation's regular accountants in accordance with generally accepted accounting principles, consistently applied, based on an interim closing of the Corporation's books; provided that no value shall be assigned to self-created goodwill.

(ii) The net book value of the Corporation as determined pursuant to part (i) above, shall then be divided by the number of shares of the Corporation's common stock (regardless of class) which are issued and outstanding as of the Valuation Date to determine the "adjusted net book value per share".

(iii) The total redemption price for the shares of stock to be redeemed by the Corporation, as calculated pursuant to this Section E(1), shall equal the product of the "adjusted net book value per share" as of the Valuation Date, as determined pursuant to

part (ii) above, and the number of shares of stock (regardless of class) to be redeemed by the Corporation.

(2) The redemption price for shares of stock to be redeemed by the Corporation, as determined pursuant to this Section E(2), shall equal the product of the "assessed value" per share of stock of the Corporation (regardless of class), as reflected either on the balance sheet of the Corporation included within the Corporation's latest available financial statements dated prior to the applicable Option Period (or, if applicable, as last determined, on behalf of the Company, by a third party valuation firm prior to the applicable Option Period) and the number of shares stock to be redeemed by the Corporation. For purposes of this Article V, the date of such balance sheet shall be referred to herein as the "Valuation Date".

(3) Notwithstanding the foregoing to the contrary, the redemption price for any shares of Class A Stock or Class B Stock, as otherwise calculated in accordance with Section E(1) or Section E(2) above, shall be appropriately adjusted to reflect any stock combinations or stock splits, regardless of how affected, occurring after the applicable Valuation Date and on or before the date that the Corporation exercises its option to redeem such shares by delivery of the Redemption Notice in accordance with Section D of this Article V.

F. Redemption Terms.

(1) The effective date of the redemption of any shares of stock by the Corporation pursuant to the exercise of any option granted the Corporation pursuant to Section D of this Article V shall be the date that the Corporation exercises its option to redeem such shares by delivery of the Redemption Notice, with respect thereto, in accordance with Section D of this Article V.

(2) Promptly following the Corporation's giving of a Redemption Notice (other than with respect to the redemption of control shares), the Corporation shall cause its regular accountants to compute the redemption price therefor, in accordance with the provisions of Section E of this Article V, and shall cause such accountants to promptly deliver

written notice of the redemption price so calculated (the "Price Notice") to the Corporation. Upon receipt of the Price Notice, the Corporation shall deliver a copy of the same to the holder of the shares to be redeemed (or, if unknown, to such holder's predecessor-in-interest), at such holder's (or such holder's predecessor-in-interest's) address (or last address) on the books of the Corporation.

(3) Closing on the redemption of any shares of stock to be redeemed pursuant to the terms of this Section F, shall occur on such date as shall be selected by the Corporation, but not later than thirty (30) days following the Corporation's receipt of the Price Notice applicable thereto.

(4) The redemption price for shares of stock to be redeemed by the Corporation pursuant to the terms of this Section F shall be payable as follows:

(i) (a) at closing, the Corporation shall pay the holder of the shares to be redeemed, in cash or immediately available funds, not less than twenty percent (20%) of the total redemption price therefore; and

(b) the balance of the redemption price for such shares shall be payable in six equal, semi-annual installments of principal, together with accrued, but unpaid interest on the outstanding principal balance, at the rate determined in part (iii) below, the first such installment to be due and payable on the date six months after the date of closing of such redemption and the additional five semi-annual installments shall be made on the next five consecutive semi-annual dates thereafter.

(ii) The obligation for the deferred portion, if any, of the redemption price for shares of stock to be redeemed by the Corporation, shall be represented by an unsecured promissory note containing the terms described above and such other terms and conditions as are standard for similar transactions in the Central Florida area, including, but not limited to, the right of prepayment without premium or penalty at any time.

(iii) Interest shall accrue, beginning with the date of closing, on the unpaid principal balance of the redemption price, at an annual rate equal to the prime rate, as publicly announced by First Union National Bank, N.A., as its prime rate, which rate will be initially determined as of closing and shall be redetermined and adjusted quarterly thereafter.

(5) At closing on the redemption of shares of stock to be redeemed by the Corporation pursuant to the terms of this Section F, the holder of such shares shall deliver to the Corporation the certificate or certificates evidencing such shares and a stock power or stock powers evidencing such shares, free and clear of all liens, claims, restrictions and encumbrances, in exchange for the redemption price for said shares payable hereunder at closing by the Corporation, such certificate or certificates and stock power or stock powers being duly endorsed for transfer; and shall deliver such additional assignments, certificates of authority, consents and transfer instructions as may be reasonably required by the Corporation to effectuate the redemption of such shares in accordance herewith. All legal, accounting and other costs incurred in connection with the redemption of shares of stock hereunder shall be paid by the party incurring such expense; provided that the Corporation shall pay 100% of the cost of calculating the redemption price for said shares in accordance with the terms set forth herein.

Notwithstanding anything herein to the contrary, if any holder of shares shall become obligated to sell such shares to the Corporation pursuant to the exercise by the Corporation of a right of redemption granted the Corporation herein, and such holder fails to deliver the certificate or certificates and/or a stock power or stock powers evidencing such shares of stock in accordance with the preceding provisions of this Section F(5), then the Corporation may tender to such holder (or, if unknown, such holder's predecessor-in-interest) at the holder's (or such holder's predecessor-in-interest's) address (or latest address) on the books of the Corporation, the redemption price for such shares of stock as calculated in accordance with this Article V and which is to be paid at closing (including delivery of any promissory note otherwise permitted to be given by the Corporation at closing on the redemption thereof), as otherwise

specified herein. Upon any such tender of the redemption price for such shares of stock, the Corporation shall cancel on its books (or shall cause the Corporation's registrar to cancel on its books), the certificate or certificates evidencing the shares of stock otherwise to be redeemed, and thereupon all of such holder's rights in and to such shares of stock shall terminate.

G. Limitations on Exercise of Dissenter's Rights. If control shares acquired in a control share acquisition are accorded full voting rights and the acquiring person has acquired control shares possessing a majority or more of all voting power of the Corporation, and if the Corporation timely exercises its right of redemption with respect to such shares as otherwise provided in Section D(3) of this Article V, then the shareholders shall not have "dissenter's rights" as otherwise provided in Sections 607.1301, 607.1302, 607.1320 and 607.0902(11)(a), Florida Statutes.

H. Other Features. Except for the differences in voting rights, restrictions on issuance, restrictions on transferability and special rights of redemption set forth above or provided by law, the rights, preferences, qualifications, limitations and restrictions, and the special or relative rights with respect to the shares of Class A Stock, Class B Stock and Class C Stock shall be identical. Accordingly, each share of common stock, regardless of class, shall receive equal dividends if and when declared by the Corporation's Board of Directors, and in the event of any liquidation, dissolution or winding up of this Corporation, the assets and funds of this Corporation shall be paid to and distributed equally among the holders of Class A Stock, Class B Stock and Class C Stock in proportion to the number of shares held by the holders of such shares.

ARTICLE VI - BOARD OF DIRECTORS

A. Number of Directors Prior to 1998 Shareholders Agreement.

(1) Until the 1998 Shareholders Meeting, the number of directors of this Corporation shall be twelve (12), plus the Corporation's Chief Executive Officer, who shall be, ex officio, a non-voting member of the Board of Directors, except that, in the case of a tie, the

Chief Executive Officer may vote; provided that, prior to the 1998 Shareholders Meeting, the number of directors may be increased or decreased from time to time by agreement of a majority of the directors then serving, but shall not be less than three (3), one member of which shall be the Chief Executive Officer of the Corporation who shall be, ex officio, a non-voting member except as provided above.

(2) The names and addresses of the members of the Board of Directors, who shall hold office until the 1998 Shareholders Meeting or until such later annual shareholders meeting specified below, or until their successors are elected or appointed and have qualified or otherwise until removed as provided herein, are as follows:

<u>NAME</u>	<u>EXPIRATION OF TERM</u>	<u>ADDRESS</u>
John L. Adessa, CEO	N/A	c/o Physicians/Hospital Corporation of Florida, Inc. 359 Carolina Avenue Winter Park, Florida 32789
Prasulla Kirtane, M.D.	"	210 North Westmonte Drive Altamonte Springs FL 32714
Phillip L. Sanchez, M.D.	"	Infectious Disease Consultants 685 Palm Springs Drive, #2A Altamonte Springs, FL 32701
William Rogers, Jr., M.D.	"	800 West Morse Boulevard, Suite 5 Winter Park, FL 32789
David T. Smuckler, M.D.	"	1701 North Mills Avenue Orlando, FL 32803
Michael Kegan, M.D.	"	500 East Colonial Drive Orlando, Florida 32803
Jack L. Cassell, M.D.	"	801 North Short Drive Eustis, FL 32726
Shirish Kirtane, M.D.	"	210 North Westmonte Drive Altamonte Springs FL 32714
Robert C. Kang, M.D.	"	801 Orienta Avenue, Suite 2600 Altamonte Springs, FL 32701
Russell Ivanhoe, M.D.	"	1613 North Mills Avenue Orlando, FL 32803

<u>NAME</u>	<u>EXPIRATION OF TERM</u>	<u>ADDRESS</u>
Shirley A. Nagel, M.D.	(1)	130 Waterman Avenue Mt. Dora, FL 32757
Michael A. Duval, D.C.	(1)	500 S. Mallard Avenue Maitland, FL 32751
Raymond A. Armstrong, M.D.	(1)	1331 South Valentine Street Melbourne, Florida 32901

(1) 1998 annual shareholders meeting

B. Removal of Directors. Directors elected by the shareholders may only be removed for cause; provided that a director, whether elected by the shareholders or appointed by the Board of Directors (or by any members of any class of directors), shall automatically be removed as a member of the Board of Directors if such director fails to maintain the qualifications for being a director or shall not attend three consecutive meetings of the Board of Directors, special or regular, or two out of every five meetings of the Board of Directors, special or regular. If a director was elected by a voting group of shareholders, then only the shareholders of that voting group may participate in the vote to remove such director. In addition, any director serving before the 1998 Shareholders Meeting who does not purchase or whose employer does not purchase Class A Common Stock sold by the Corporation in a private placement commencing on or about August 1, 1997 (the "Private Offering") may be removed, without cause, at any time prior to the 1998 Shareholders Meeting by a majority of the members of the Board of Directors who purchased or whose employer purchased shares of Class A Common Stock in the Private Offering.

C. Number/Classes of Directors on and after 1998 Shareholders Meeting. Commencing with the 1998 Shareholders Meeting, there shall be three classes of directors, "Class A Directors", "Class B Directors", and "Class C Directors", comprised of up to an aggregate of twenty-five (25) members, and one additional director, of an unspecified class, who shall be the Chief Executive Officer of the Corporation who shall serve ex officio as a non-voting

member, except that, as an ex officio member, the Chief Executive Officer may vote in the case of ties. The number of members of each class of directors shall be determined annually, commencing with the record date for the 1998 Shareholders Meeting and thereafter as of each subsequent record date (each such record date being referred to herein as a "Determination Date") fixed by the Board of Directors for annual shareholders meeting, with each such determination made as of a Determination Date being effective for the period commencing as of the date of the annual shareholders meeting to which such Determination Date relates and ending on the date of the next succeeding annual shareholders meeting:

(1) The number of Class C Directors, as determined as of any applicable Determination Date, shall equal the lesser of (i) four (4), or (ii) that number determined by dividing the aggregate outstanding shares of Class C Stock, as of the applicable Determination Date, by 25,000 (as appropriately adjusted to reflect any stock splits or stock consolidations occurring after the close of the Corporation's Private Offering which was effectuated pursuant to a registration statement filed under the Securities Act of 1933), provided that, if there shall be less than 25,000 shares of Class C Stock outstanding as of any Determination Date (as appropriately adjusted to reflect any stock splits or stock consolidations occurring after the close of the Private Offering), then the number of Class C Directors determined as of such date shall be zero (0).

(2) The aggregate number of Class A Directors and Class B Directors, as determined as of an applicable Determination Date, shall equal the lesser of (i) twenty-five (25), as reduced by the number of Class C Directors determined as of such Determination Date, or (ii) that number, rounded to the nearest whole number, determined by dividing the aggregate outstanding shares of Class A Stock and Class B Stock, as of the applicable Determination Date, including Class A Stock and Class B Stock constituting Defaulted Stock, by 25,000 (as appropriately adjusted to reflect any stock splits or stock consolidations occurring after the close of the Private Offering). The number of Class A Directors and the number of Class B Directors,

as determined as of such Determination Date, shall equal, respectively, the product of the aggregate Class A Directors and Class B Directors, as determined as of such Determination Date in accordance with the preceding sentence, and a fraction, the numerator of which is the outstanding shares of Class A Stock (with respect to Class A Directors) or Class B Stock (with respect to Class B Directors), including Class A Stock or Class B Stock constituting Defaulted Stock, as of such Determination Date, and the denominator of which is the aggregate shares of Class A Stock and Class B Stock outstanding as of such Determination Date, including Class A Stock and Class B Stock constituting Defaulted Stock, rounding up or down to the nearest whole number.

Notwithstanding anything in this Article VI to the contrary, no decrease in the number of directors of any class shall have the effect of shortening the term of any incumbent director.

D. Election and Term. Each Class B Director and Class C Director shall serve a term of one (1) year or until his or her successor shall have been elected and qualified or until such director's earlier resignation, removal from office or death. Each Class A Director shall serve for a term of two (2) years or until his or her successors shall have been elected and qualified or until such Class A director's earlier resignation, removal from office or death; provided that, one-half (or, if an odd number, as near as possible, but not greater than one-half) of the Class A Directors elected at the 1998 Shareholders Meeting (and one-half, or, if an odd number, as near as possible, but not greater than one-half, of any additional Class A directors to be elected at any subsequent annual shareholders meeting solely as a result of an increase in the number of Class A directors from the number of Class A directors calculated for the immediately preceding annual period in accordance with Section C of this Article VI) shall serve for a term of one year.

Commencing with the 1998 Shareholders Meeting and at each annual meeting of the shareholders of this Corporation thereafter, the holders of each class of common stock of the

Corporation shall elect the members of such class of directors whose terms are then expiring, for new directors of such class resulting from an increase in the number of directors of such class in accordance with Section C of this Article VI or for such lesser number of directors of such class resulting from a decrease in the number of directors of such class in accordance with Section C of this Article VI and for whose election each such class of common stock is entitled to vote

E. Vacancies on Board. Any vacancy occurring on the Board of Directors, including a vacancy resulting from an increase in the number of directors (other than an increase in the number of directors effective as of the date of any annual shareholders meeting), may be filled by an affirmative vote of a majority of the remaining directors, though less than a quorum of directors; provided that, after the 1998 Shareholders Meeting, any vacancy in any class of directors may be filled by an affirmative vote of a majority of the remaining directors of the class of directors to which such vacancy relates, though less than a quorum of the board of directors, or, if there are no such remaining same class directors, by a majority of the remaining directors (regardless of class), though less than a quorum of the board of directors. A director elected to fill a vacancy shall hold office only until the expiration of the term of the director position filled.

F. Quorum: Voting. Except as otherwise provided herein, a majority of the total number of directors (regardless of class) shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum exists shall be the act of the Board of Directors. When a specified item of business is required to be voted on by a class of directors, then a majority of the directors of such class shall constitute a quorum for the transaction of such item of business by that class of directors. If a quorum is present, the affirmative vote of a majority of the directors of a class of directors present at a meeting in which a quorum of such class of directors exists shall be the act of the directors of such class.

G. Reserved Powers/Special Director Voting.

(1) Notwithstanding anything in these Restated Articles to the contrary, the following described matters or actions, in addition to being subject to the approval of the Board of Directors, are subject to the approval of the Class A Directors and/or the Class B Directors if either such class of directors constitutes a "Minority Director Class":

(i) any amendment to the Articles of Incorporation or Bylaws of the Corporation, other than an amendment to the Articles of Incorporation described in Sections 607.1002(1) through (7), Florida Statutes;

(ii) the incurrence or refinancing of indebtedness by the Corporation in excess of \$250,000;

(iii) the compensation payable by the Corporation to its Chief Executive Officer, President, Chief Operating Officer or Medical Director;

(iv) the sale of all or substantially all of the assets of the Corporation;

(v) the filing of Articles of Dissolution (or the equivalent) by the Corporation;

(vi) the adoption or material change by the Corporation in the methodology employed by the Corporation with respect to the allocation of premium dollars (including the allocation of premium dollars between classes of medical providers);

(vii) the engagement of legal counsel, including special counsel, for the Corporation;

(viii) the sale by the Corporation of any shares of Class C Stock to an insurance company (regardless of where licensed);

(ix) the sale of authorized, but unissued shares of Class A Stock or Class B Stock (including treasury stock) not otherwise sold by the Corporation in the private offering;

(x) the exercise by the Corporation of any option granted the Corporation hereunder or otherwise to redeem any of shares of Class A Stock or Class B Stock;

(xi) the selection of executive officers for the Corporation;

(xii) the delegation by the Board of Directors of any of its authority to an executive committee or other committee established by the Board of Directors or required to be established by the Corporation's Bylaws, except for such authority expressly required to be delegated to such committee by the Corporation's Bylaws approved by the Board of Directors (and, if applicable, approved by the Minority Class Directors);

(xiii) the exercise by the Corporation of any rights granted the Corporation as a shareholder or equity owner in any other corporation or legal entity, including the exercise of any voting rights granted the Corporation in its status as a shareholder or equity owner of any other corporation or legal entity; and

(xiv) any other corporate act which the Board of Directors makes subject to the approval of Minority Class Directors.

For purposes hereof, the Class A Directors and/or the Class B Directors shall constitute "Minority Class Directors" if at the time of a vote on any of the foregoing matters enumerated in this Section G(1), the number of Class A Directors and/or Class B Directors do not constitute a majority of the total number of directors of the Corporation, and solely with respect to Class B Directors, there shall be outstanding not less than 350,000 shares of Class B Stock (as appropriately adjusted to reflect any stock splits or stock consolidations occurring after the close of the Private Offering).

(2) "Affiliated transactions" (as defined in Section 607.0901, Florida Statutes), are subject to the approval of the (i) Board of Directors, (ii) each of the Minority Class Directors, if required by Section G(1) of this Article VI, and (iii) a majority of those members of the Board of Directors, regardless of class, not having an interest in such transaction.

II. Nominations for Directors. Commencing with the directors to be elected at the 1998 Shareholders Meetings, nominations for election of the Class A Directors, Class B Directors and Class C Directors, if applicable, may be made in the following manner:

(1) By the members of the Board of Directors whose terms are next to expire; provided that for elections to occur following the election of directors at the 1998 Shareholders Meetings, only those directors whose terms are next to expire, and who are directors of the same class of directors to be elected at such meeting, may nominate directors for such class of directors.

(2) By a nominating committee consisting of members of the Board of Directors whose terms are next to expire; provided that for elections to occur following the election of directors at the 1998 Shareholders Meeting, only nominating committees consisting solely of members of the class of directors whose terms are next to expire (or with respect to which additional directors are to be elected) may nominate directors for such class.

(3) Holders of the respective classes of stock entitled to vote for the election of the directors of a particular class of directors to be elected at the annual shareholders meeting, owning five percent (5%) or more of the aggregate outstanding shares of stock of such class (excluding shares of such class constituting Defaulted Stock), may nominate directors for such class in accordance with the following: Nominations by shareholders of any class for directors of such class shall be delivered or mailed to the Secretary of the Corporation not less than fourteen (14) days nor more than fifty (50) days prior to meeting of the shareholders called for the election of directors; provided, however, that if less than twenty-one (21) days notice of the meeting is given to the shareholders, such nomination may be mailed or delivered to the Secretary of the Corporation not later than the close of business on the seventh (7th) day following the day on which notice of the meeting was mailed. Any such nomination and notification by shareholders shall contain the following information, to the extent known by the notifying shareholder(s):

- (i) the name(s) and address(es) of the proposed nominee(s);
- (ii) the principal occupation of the proposed nominee(s);
- (iii) the total number of votes that, to the knowledge of the notifying or nominating shareholders, will be cast for the proposed nominee(s);
- (iv) the name(s) and resident address(es) of the notifying or nominating shareholders; and
- (v) the number of shares of each class of stock of the Corporation owned by the notifying or nominating shareholder(s).

Persons nominated for the Board of Directors must be natural persons who are at least eighteen (18) years of age or older who do not serve as directors of any other managed care organization, including provider organizations, which contract directly with third-party purchasers of health care services.

Nominations made by the Board of Directors or by any nominating committee consisting of members of the Board of Directors, or of members of any class of directors, shall be in writing and delivered to the President of the Corporation not later than one hundred and twenty (120) days prior to the date of the annual shareholder meeting called for the election of directors.

Nominations for Class A directors to be elected at the 1998 Shareholders Meeting, and nominations for any additional Class A directors to be elected at any subsequent annual shareholders meeting by reason of an increase in the number of Class A directors, shall specify the terms of office (i.e. one year or two years) for which such nominee is or such nominees are nominated to serve.

Any nominations which are not made in accordance with the foregoing provisions of this Section H. may, in the sole discretion of the chairman of the meeting of shareholders called for the election of directors, be disregarded and upon the chairman's instructions, any votes cast for any such nominees may be disregarded.

I. Limitations on Monetary Damages. Except to the extent provided in Section 607.0831, Florida Statutes, directors and officers of the Corporation shall not be liable to the Corporation or its shareholders for monetary damages arising from a breach of fiduciary duty as a director or officer. No amendment to or repeal of this Article VI shall apply to or have any effect on the liability or liabilities of any director of the Corporation for or with respect to any act or omission of such director or officer occurring prior to such amendment.

ARTICLE VII - AMENDMENTS TO BYLAWS

The power to adopt, alter, amend or repeal the Corporation's Bylaws shall be vested in the Board of Directors.

ARTICLE VIII - REGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office of this Corporation in the State of Florida shall be 395 Carolina Avenue, Winter Park, Florida 32789. The Board of Directors may from time to time move the registered office to any other address in Florida. The name of the registered agent of this Corporation at that address is John L. Adessa. The Board of Directors may from time to time designate a new registered agent.

ARTICLE IX - INDEMNIFICATION

This Corporation shall indemnify any officer or director, or any former officer or director, to the full extent permitted by law and as provided in the Corporation's Bylaws.

IN WITNESS WHEREOF, the undersigned Chairman of the Board of Directors has made and subscribed these Restated Articles of Incorporation at Orlando, Florida, this 8th day of August, 1997.



John L. Adessa, Chairman

Date: 8/8, 1997

Having been named as registered agent for the above mentioned Corporation, at the place designated in the foregoing Articles of Incorporation, I hereby accept such designation and agree to act in such capacity, and I further agree to comply with the provision so full statutes relative to the proper and complete performance of my duties as registered agent. I am familiar with, and accept the duties and obligations of, Section 607.0505 of the Florida Statutes.

Signature: John L. Adessa
John L. Adessa

Date: 8/8/97

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OFFICER'S CERTIFICATE
TO ACCOMPANY RESTATED ARTICLES OF INCORPORATION
OF PHYSICIANS/HOSPITAL CORPORATION OF FLORIDA, INC.

I, JOHN L. ADESSA, being the duly elected, qualified and acting President CEO of Physicians/Hospital Corporation of Florida, Inc., a Florida corporation (hereinafter referred to as the "Corporation"), hereby certify that the Restated Articles of Incorporation of the Corporation accompanying this Certificate were duly adopted and approved by all of the members of the Board of Directors of the Corporation in compliance with Section 607.1007 of the Florida Statutes and do not contain an amendment requiring shareholder approval since, as of the date of adoption of the Restated Articles of Incorporation, and the filing thereof with the Florida Department of State, there are no shareholders of the Corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name as President and CEO pursuant to due and lawful corporate authority, as of the 14th day of August, 1997.



John L. Adessa, President and CEO