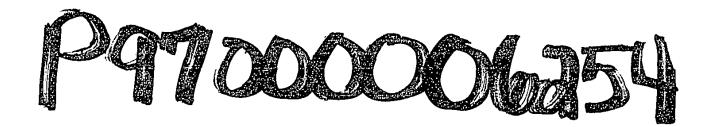
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SPECIAL INSTRUCTIONS
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ARTICLES OF MERGER Merger Sheet

MERGING:

JAMES G. SCHWADE, M.D. AND ASSOCIATES, INC., a Florida corp. P94000057336

INTO

QUALITY ONCOLOGY OF CORAL GABLES, INC., a Florida corporation, P97000006254

File date: March 27, 1997

Corporate Specialist: Annette Hogan

CERTIFICATE AND ARTICLES OF MERGER

JAMES G. SCHWADE, M.D. & ASSOCIATES, INC., a Florida corporation,

into

QUALITY ONCOLOGY OF CORAL GABLES, INC., a Florida corporation

Pursuant to the provisions of Section 607.1105 of the Florida Business Corporation Act, as amended (the "Act"), James G. Schwade, M.D. & Associates, Inc., a Florida corporation ("Schwade"), and Quality Oncology of Coral Gables, Inc., a Florida corporation ("Quality"), hereby adopt the following Certificate and Articles of Merger for the purpose of merging Schwade into Quality (the "Merger"):

- 1. Schwade shall be merged with and into Quality, and Quality shall be the surviving corporation of the Merger, pursuant to the Acquisition Agreement and Plan of Merger dated as of February 28, 1997, attached hereto as Exhibit A and incorporated herein by this reference (the "Agreement").
- 2. The name of the surviving corporation shall be Quality Oncology of Coral Gables, Inc.
- 3. The effective time and date of the Merger shall be 12:00 P.M. (Eastern Standard Time) on February 28, 1997.
- 4. The Agreement was approved, adopted, certified, executed and acknowledged by unanimous joint written consent in lieu of a special meeting by the shareholders and members of the Board of Directors of Schwade on January 23, 1997 in accordance with Section 607.1105 of the Act, and by unanimous joint written consent in lieu of a special meeting by the shareholders and members of the Board of Directors of Quality on February 14, 1997 in accordance with Section 607.1105 of the Act.
- 5. The Amended and Restated Articles of Incorporation of Quality, as attached hereto as Exhibit "B", shall constitute the Articles of Incorporation of the surviving corporation.
- 6. Pursuant to the Agreement, all of the issued and outstanding shares of capital stock of Schwade shall be converted into shares of capital stock of Quality and all of the issued and outstanding shares of capital stock of Schwade shall be canceled.
- 7. The executed Agreement is on file at the principal place of business of Quality, the address of which is 1200 S. Pine Island Road, Suite #170, Plantation, Florida 33324.

8. A copy of the Agreement will be furnished by Quality, on request and without cost, to any shareholder of Schwade or Quality.

IN WITNESS WHEREOF, this Certificate and Articles of Merger have been executed on behalf of Schwade and Quality by their authorized officers on January 23, 1997.

JAMES G. SCHWADE, M.D. & ASSOCIATES,

INC.

By: James G. Schwade, M.D., President

QUALITY ONCOLOGY OF CORAL GABLES, INC.

By: James G. Schwade, M.D., President

STATE OF FLORIDA)
(SS: COUNTY OF <u>Dade</u>)

The foregoing instrument was acknowledged before me this 33 day of January, 1997, by James G. Schwade, M.D., in his capacity as President of James G. Schwade, M.D. & Associates, Inc., a Florida corporation, and as President of Quality Oncology of Coral Gables, Inc., a Florida corporation. He () is personally known to me or () has produced _____ as identification.

Notary Public, State of Florida
PrintName:



DIANE SAUNDERS
MY COMMISSION # CC343631 EXPIRES
January 23, 1998
BONDED THRU TROY FAIR INSURANCE, INC.

1:\clients\quality\merger\qocg.mer

EXHIBIT A Acquisition Agreement and Plan of Merger

ACQUISITION AGREEMENT AND PLAN OF MERGER

TI-IIS ACQUISITION AGREEMENT AND PLAN OF MERGER (the "Agreement") is made as of this 28th day of February, 1997, by and between James G. Schwade, M.D. and Associates, Inc., a Florida corporation (the "Company"), Quality Oncology, Inc., a Florida corporation ("QO"), and Quality Oncology of Coral Gables, Inc., a Florida corporation (the "Subsidiary") (the Company and Subsidiary are sometimes referred to as the "Constituent Corporations").

Preliminary Statements

WHEREAS, Quality Oncology, L.C., a Florida limited liability company ("LC"), and the Company entered into a letter of intent, dated August 22, 1996 (the "Letter of Intent"), which contemplated the acquisition by LC, or its assigns, of substantially all of the assets of the Company in a tax-free merger pursuant to Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, LC assigned all of its rights under the Letter of Intent to QO, and QO wishes to acquire substantially all of the assets of the Company solely in exchange for shares of voting capital stock of QO;

WHEREAS, QO directly owns all of the outstanding shares of stock of Subsidiary; and

WHEREAS, the Constituent Corporations deem it advisable and in the best interests of the Constituent Corporations and their shareholders that the Company be merged with and into the Subsidiary (the "Merger").

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

Terms

ARTICLE 1. THE MERGER.

1.1 The Merger. Upon the terms and subject to the conditions contained in this Agreement, on the Effective Date, as hereinafter defined, the Company shall be merged with and into Subsidiary in accordance with the Florida Business Corporation Act (the "FBCA") and the separate existence of the Company shall thereupon cease for all purposes, and Subsidiary, as the surviving corporation in the Merger (sometimes referred herein as the "Surviving Corporation"), shall continue its corporate existence under the laws of the State of Florida. This Merger shall have the effect set forth in the FBCA.

- 1.2 <u>Effective Date of Merger</u>. After the execution of this Agreement, Articles of Merger will be duly prepared, executed and acknowledged by the Constituent Corporations, and thereafter delivered to the Department of State of the State of Florida for filing as provided in the FBCA, as soon as practicable on or after the Closing Date, as hereinafter defined. The Merger shall become effective on February 28, 1997 (the "Effective Date").
- 1.3 <u>Closing Date</u>. The closing of the Merger will take place on the date and time to be specified by the parties hereto at the offices of Zack, Sparber, Kosnitzky, Spratt & Brooks, P.A. (the "Firm") or at such other date, time and place as the parties may agree.

ARTICLE 2. CERTIFICATE OF INCORPORATION, BYLAWS, AND DIRECTORS AND OFFICERS OF THE SURVIVING CORPORATION.

- 2.1 <u>Effects of the Merger</u>. On the Effective Date, the separate existence of the Company shall cease and the Company shall be merged into Subsidiary. At and after the Effective Date, the Surviving Corporation shall possess all the assets, rights and privileges, and shall be subject to all of the restrictions and liabilities of each of the Constituent Corporations, as provided in the FBCA.
- 2.2 <u>Certificate of Incorporation</u>. The Amended and Restated Articles of Incorporation of the Surviving Corporation, as attached to that certain Certificate and Articles of Merger, shall constitute the Articles of Incorporation of the Surviving Corporation unless and until amended as provided by law and by such articles.
- 2.3 <u>Bylaws</u>. The Bylaws of the Company in effect immediately prior to the Effective Date of the Merger shall constitute the Bylaws of the Surviving Corporation unless and until amended or repealed as provided by law, the articles of incorporation of the Surviving Corporation or by such Bylaws.
- 2.4 <u>Directors and Officers</u>. The members of the Board of Directors of Subsidiary immediately prior to the Effective Date of the Merger shall constitute the Board of Directors of the Surviving Corporation, and the officers of Subsidiary immediately prior to the Effective Date of the Merger shall constitute the officers of the Surviving Corporation. Such directors and officers shall serve until their successors shall have been duly elected or appointed and shall qualify until otherwise provided by law, the articles of incorporation or the Bylaws of the Surviving Corporation.

ARTICLE 3. CONVERSION AND EXCHANGE OF SHARES.

3.1 <u>Conversion</u>. On the Effective Date, the issued and outstanding shares of capital stock of the Company, \$.001 par value per share (the "Company Stock"), immediately prior to the Effective Date shall by virtue of the Merger be automatically converted into shares of QO common stock, par value \$.001 per share (the "QO Stock"), at a rate of 64.84 shares of

QO Stock for each share of the Company Stock. Fractional shares of the QO Stock may be issued on the conversion. No shares of capital stock of the Subsidiary shall be converted, exchanged or transferred as a result of the Merger.

- Post-Closing Adjustment. As soon as practicable after the Effective Date, the Company will cause the preparation of a balance sheet of the Company as of December 31, 1996, related statements of operation and earnings (deficit) and changes in financial position for the period ending December 31, 1996 and the supporting schedules (collectively, the "'96 Financial Statements"). The '96 Financial Statements shall be prepared by a certified public accountant reasonably acceptable to QO in accordance with generally accepted accounting principles ("GAAP") applied on a consistent basis and shall present fairly the financial position of the Company as of the date thereof, and the results of operations of the Company for the period stated therein. Immediately upon completion, the '96 Financial Statements shall be delivered to QO for review and evaluation. QO and the shareholders of the Company shall determine whether the amount of QO Stock received by the shareholders of the Company hereunder shall be increased or decreased, as the case may be, to reflect the information provided in the '96 Financial Statements. Provided there is no dispute between QO and the shareholders of the Company as to such adjustment, QO shall promptly issue additional shares of QO Stock to the shareholders of the Company or the shareholders of the Company shall promptly return shares of QO Stock to QO for cancellation, as the case may be. In the event there is a dispute as to the adjustment in the number of shares of QO Stock received by the shareholders of the Company, QO and the shareholders of the Company shall resolve such dispute in accordance with the arbitration provisions of set forth in Exhibit 3.2 attached hereto and incorporated herein.
- 3.3 Closing of Books. On the Effective Date, the stock transfer book of the Company shall be closed and no transfer of the Company Stock shall thereafter be made.
- 3.4 No Further Ownership Rights. All shares of QO Stock issued upon the surrender of shares of the Company Stock shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of the Company Stock.
- 3.5 <u>Non-Assignment</u>. Notwithstanding the foregoing, in the event the Merger causes a breach, default or termination in any of the Company's Contracts, as hereinafter defined, such Contract shall not be transferred to the Surviving Corporation but shall be retained by an entity owned by those persons owning capital stock of the Company immediately prior to the date hereof and rendering services substantially similar to those services rendered by the Company.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

As of the date hereof and as of the Effective Date, the Company represents and warrants as follows:

- 4.1 Organization; Existence; Corporate Power. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, has the corporate power to own all of its property and assets and to carry on its business as presently conducted. Subject to the approval of the Merger by the shareholders of the Company, the Company has the corporate power and is duly authorized by all necessary corporate action to merge with the Subsidiary pursuant to this Agreement. Subject to such stockholder approval, the Board of Directors of the Company has taken all action required by law, its articles of incorporation and Bylaws, or otherwise to authorize the execution and delivery of this Agreement.
- Binding Agreement; Recommendation from Board. This Agreement is a valid, 4.2 binding agreement of the Company enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditor rights generally and the availability of equitable remedies which is within the discretion of the appropriate court. The Board of Directors of the Company has recommended the adoption of this Agreement and the consummation of the Merger to the Company shareholders. The execution and delivery of this Agreement does not, and subject to such stockholder approval, the consummation of the Merger will not, violate any provision of the Company's articles of incorporation or Bylaws, or any provisions of, or result in the acceleration of, or entitle any party to accelerate (whether after the giving of notice or lapse of time or both), any obligation under, or result in the creation or imposition of any lien, charge, pledge, security interest or other encumbrance upon any material part of the property of the Company pursuant to any provision of, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which the Company is a party or by which it is bound and, subject to required governmental filings and consents referred to in Section 4.8, if any, will not violate or conflict with any other material restriction of any kind or character to which the Company is subject. The copies of the Company's articles of incorporation and Bylaws delivered to QO, and attached hereto under Exhibit 4.2, are complete and correct and in full force and effect as of the date hereof.
- 4.3 <u>Financial Statements</u>. The balance sheets of the Company as of November 30, 1996 and the related statements of operation and earnings (deficit) and changes in financial position for the eleven (11) month period ending November 30, 1996 and the supporting schedules, if any; copies of all of which have been furnished to QO by the Company (collectively, the "Company Financial Statements"), present fairly the financial position of the Company as of the dates thereof, and the results of operations of the Company for the period stated therein.
- 4.4 Ownership of Properties. The Company has good and marketable title to all of the assets and properties owned by it, including all of the tangible and intangible property reflected in the Company Financial Statements (except that disposed of in the ordinary course of business since such date), and all such property acquired since such date (and not disposed of in the ordinary course of business), free and clear of any liens, claims, charges, options or

other encumbrances other than (i) as referred to in the Company Financial Statements, (ii) liens for taxes not yet due and payable or being contested in good faith by appropriate proceedings and (iii) such liens, charges, encumbrances and imperfections of title, if any, as do not materially affect the value or interfere with the present use of such properties.

- 4.5 No Litigation. Except as disclosed by the Company in Exhibit 4.5, there are no private or governmental proceedings against the Company pending or to the knowledge of the Company threatened which if decided adversely could have a material adverse effect on the business, financial condition or results of operations of the Company taken, nor are there any material judgments, decrees or orders against the Company enjoining it in respect of, or the effect of which is to prohibit any business practice or the acquisition of any property or the conduct of business in any area.
 - 4.6 No Material Adverse Change. Since November 30, 1996 there has not been:
- 4.6.1 Any change in the business, financial condition or results of operations of the Company which has had or may reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of the Company; or
- 4.6.2 Any direct or indirect redemption, purchase or other acquisition of any Company Stock by the Company, or any issuance of Company Stock or any declaration, setting aside or payment of any dividend on Company Stock.
- 4.7 No Undisclosed Material Liabilities. Other than as disclosed in the Company Financial Statements or incurred in the ordinary course of business since November 30, 1996, there are no material liabilities of any kind whatsoever, whether or not accrued and whether or not contingent or absolute, determined or determinable, and the Company knows of no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability.
- 4.8 Governmental Authorizations. No authorization, consent or approval of any public body or authority is necessary for the consummation by the Company of the transactions contemplated hereby or to enable the Surviving Corporation to conduct its business in substantially the same manner as it is presently conducted by the Company.
- 4.9 <u>Capitalization</u>. The authorized shares of the Company consists of 100,000 shares of Company Stock, par value \$.001 per share, of which 500 shares are issued and outstanding and are all owned by and in the amounts set forth in Exhibit 4.9. All outstanding shares of Company Stock have been duly authorized and validly issued and are fully paid and nonassessable. There are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any outstanding shares or other ownership interests in the Company.

- Tax Matters. The Company has filed all Federal, state and local tax returns required to be filed and has made timely payment of all taxes due and payable except to the extent such taxes are being contested in good faith as has been previously disclosed to QO in Exhibit 4.10. Except to the extent that reserves therefor are otherwise previously disclosed to QO in writing: (i) there are no material Federal, state or local tax liabilities due or to become due for any periods commencing prior to the date hereof and (ii) there are no material claims pending or proposed or threatened against the Company for past-due Federal, state or local taxes. The Federal income tax returns of the Company have never been audited by the Internal Revenue Service (the "Service"). The Service has asserted no deficiencies and proposed no adjustments with respect to taxable years of the Company as to which the period during which any income tax may be assessed has not terminated prior to the date hereof, except as has been previously disclosed to QO. The State of Florida Department of Revenue has not asserted any deficiencies or proposed any adjustments with respect to any taxes payable for taxable years as to which the period during which any such tax may be assessed has not terminated prior to the date hereof, except as has been previously disclosed to QO. The Company has not signed any waivers which extend the period during which any tax may be assessed beyond the ordinary statutory period, except as has been previously disclosed to OO. The Company has made available to QO true and complete copies of all income tax returns of the Company (including any amended return) as filed with the Service and with any state taxing authority.
- 4.11 Contracts and Other Agreements. Exhibit 4.11 sets forth a true and complete list of all material written or oral contracts (in the case of oral contracts, a summary description is provided), agreements and other arrangements to which the Company is a party to, including, but not limited to contracts with hospitals or other health care providers, contracts relating to the borrowing of money or extension of credit, leases of real or personal property, and employment and independent contractor agreements ("Contracts"). All of the Contracts constitute legal, valid and binding obligations of the Company and (i) are in full force and effect on the date hereof, and (ii) the Company has not violated any provision of, or committed or failed to perform any act which, with notice, lapse of time or both, would constitute a default under any material provision of any Contract. To the Company's best knowledge, no other party to any of the Contracts is in default under any material provision thereof. Except as set forth in Exhibit 4.11, the Company has performed its obligations under the Contracts in all material respects and, to the Company's knowledge, no party to any Contract has grounds to terminate such contract. Correct and complete copies of all written Contracts disclosed on Exhibit 4.14 have been made available to QO. Each Contract, commitment and agreement of the Company is in material compliance with and does not violate any material requirement applicable to any medical service providers licensed or authorized under the laws of the State of Florida.
- 4.12 <u>Compliance with Laws</u>. The officers of the Company have no knowledge of any existing violations by the Company of any Federal, state or local laws, regulations or orders which, individually or in the aggregate, have or could have a material adverse effect on the business, properties or results of operations of the Company.

- 4.13 <u>Stock Options</u>. There are no outstanding options, warrants, rights, puts, calls, commitments or agreements of any kind or character to which the Company is a party or by which the Company is bound, calling for the issuance or sale of any security of the Company or any security representing the right to acquire or receive any such security.
- 4.14 <u>Certain Interest</u>. Except as previously disclosed to QO in writing and listed in Exhibit 4.14, no officer or director of the Company or any relative or affiliate of such officer or director has any interest in any property of the Company except as a shareholder, and no such person has any business relationship with the Company as an employee, independent contractor, lessee or otherwise, except as an officer, director or shareholder.
- 4.15 Minute Book. The minute book of the Company contains in all material respects complete and accurate records of all meetings and other corporate actions of its shareholders and Board of Directors, and the Company has made such minute book available to QO for its inspection.
- 4.16 Fraud and Abuse. To the best knowledge of the Company, none of the Company, its officers, directors and employees, as applicable, have engaged in any activities which are prohibited under Federal, state or local statutes or regulations or which are prohibited by rules of professional conduct or which otherwise could constitute fraud, including but not limited to the following: (i) making or causing to be made a false statements or representation of a material fact in any application for any benefit or payment; (ii) making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment; (iii) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on its behalf or on behalf of another, with intent to secure such benefit or payment fraudulently; or (iv) soliciting or receiving any remuneration (including any kickback, bribe or rebate), directly of indirectly, overtly or covertly, in cash or in kind or offering to pay such remuneration (a) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid, or (b) in return for purchasing, leasing, or ordering or arranging for or recommending purchasing, leasing, or ordering any good, facility or service in violation of any applicable law, regulation, covenant of fiduciary obligation.
- 4.17 <u>Professional Liability Lawsuits</u>. Except as set forth in Exhibit 4.17, (i) there is no notice, demand, claim, action, suit, inquiry, hearing, proceeding, notice of violation or investigation of a criminal or administrative nature before any court or governmental or other regulatory or administrative agency, commission or authority, domestic or foreign, against or involving any professional services performed in connection with or on behalf of the Company or class of claims or lawsuits involving the same or similar services performed in connection with or on behalf of the Company which is pending or, to the knowledge of the Company (after inquiry), threatened which if determined adversely, would have a material adverse effect on the Surviving Corporation and (ii) to the best knowledge of the Company there has not been any accident, happening or event which takes place at any time involving

any professional services performed in connection with or on behalf of any Company that is likely to result in a claim or loss.

4.18 No Untrue Statements. No statements by the Company contained in this Agreement or any of the exhibits or schedules attached to this Agreement or documents referred in this Agreement contain or will contain any untrue statements of a material fact, or omit or will omit to state a fact necessary in order to make the statements not misleading.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF QO AND SUBSIDIARY.

As of the date hereof and as of the Effective Date, QO and Subsidiary represent and warrant as follows:

- Organization; Existence; Corporate Power. QO is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. QO and Subsidiary each have the corporate power to own all of its properties and assets and to carry on its business as it is presently conducted and each is duly qualified to do business and is in good standing in each jurisdiction in which its ownership of property or the conduct of its business requires such qualification. QO and Subsidiary have the corporate power and are duly authorized by all necessary corporate action to execute, deliver and perform this Agreement. The Boards of Directors of QO and Subsidiary have taken all action required by law, their articles of incorporation, Bylaws or otherwise to authorize the execution and delivery of this Agreement,
- 5.2 <u>Binding Agreement; Recommendation from Board</u>. This Agreement is a valid, binding agreement of QO and Subsidiary enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditor rights generally and the availability of equitable remedies which is within the discretion of the appropriate court. The execution and delivery of this Agreement does not, and the consummation of the Merger will not, violate any provision of QO's or Subsidiary's articles of incorporation or Bylaws, or any provision of, or result in the acceleration of, or entitle any party to accelerate (whether after the giving of notice or lapse of time or both), any obligation under, or result in the creation or imposition of any lien, charge, pledge, security interest or other encumbrance upon any material part of the property of QO or Subsidiary, pursuant to any provision of, any mortgage, lien, lease, agreement, instrument, order, arbitration award, judgment or decree to which QO or Subsidiary is a party or by which either is bound and, subject to required governmental filings and consents referred to in Section 5.9, will not violate or conflict with any other material restriction of any kind or character to which QO or Subsidiary is subject.
- 5.3 <u>Financial Statements</u>. The balance sheets of QO, or its predecessor, as of December 31, 1996 and the related statements of operation and earnings (deficit) and changes in financial position for the one year ending December 31, 1996 and the supporting schedules,

together with the notes thereto; copies of all of which have been furnished or will be furnished prior to the Effective Date of the Merger by QO (collectively, the "QO Financial Statements") to the Company, present fairly the financial position of QO at the date, and the results of operations for QO for the period stated therein.

- 5.4 Ownership of Properties. QO and Subsidiary have good and marketable title to all properties owned by them, including all of the tangible and intangible property reflected in the QO Financial Statements (except that disposed of in the ordinary course of business since such date), and all such property acquired since such date (and not disposed of in the ordinary course of business) free and clear of any liens, claims, charges, options or other encumbrances other than (i) as referred to in the QO Financial Statements, (ii) liens for taxes not yet due and payable or being contested in good faith by appropriate proceedings and (iii) such liens, charges, encumbrances and imperfections of title, if any, as do not materially affect from the value or interfere with the present use of such properties.
- 5.5 No Litigation. Except as otherwise disclosed by QO in writing to the Company, there are no private or governmental proceedings against QO or Subsidiary pending or to the knowledge of QO threatened which if determined adversely to QO or Subsidiary could have a material adverse effect on the business, financial condition or results of operations of QO and Subsidiary taken as a whole, nor are there any material judgments, decrees or orders against QO and Subsidiary enjoining it in respect of, or the effect of which is to prohibit, any business practice or the acquisition of any property or the conduct of business in any area.
 - 5.6 No Material Adverse Change. Since December 31, 1996 there has not been:
- 5.6.1 Any change in the business, financial condition or results of operation of QO or Subsidiary which has had or may reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of either taken as a whole; or
- 5.6.2 Any direct or indirect redemption, purchase or other acquisition of any QO Stock by QO, or any issuance of QO Stock or any declaration, setting aside or payment of any dividend on QO Stock.
- 5.7 No Undisclosed Material Liabilities. Other than as disclosed in the QO Financial Statements or incurred in the ordinary course of business since December 31, 1996, there are no material liabilities of QO or Subsidiary of any kind whatsoever, whether or not accrued and whether or not contingent or absolute, determined or determinable, and QO knows of no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability.
- 5.8 Absence of Subsidiary Operations and Liabilities. Prior to the Effective Date, the Subsidiary will have engaged only in the transactions contemplated by this Agreement, will

have no material liabilities, and will have incurred no obligation except in connection with its performance of the transactions provided for in this Agreement.

- 5.9 Governmental Authorizations. No authorization, consent or approval of any public body or authority is necessary for the consummation by QO and Subsidiary of the transactions contemplated hereby, or to enable the Surviving Corporation to conduct the business of Subsidiary in substantially the same manner as presently conducted by Subsidiary.
- 5.10 <u>Capitalization</u>. The authorized shares of QO consists of 5,000,000 shares of QO Stock, par value \$.001 per share, of which 229,482 shares are issued and outstanding and are owned by and in the amounts set forth in Exhibit 5.10. All outstanding shares of QO Stock have been duly authorized and validly issued and are fully paid and nonassessable. There are no outstanding options to repurchase, redeem or otherwise require any outstanding shares or other ownership in QO. All of the issued and outstanding shares of the Subsidiary are owned by QO.
- Tax Matters. QO has filed all Federal, state and local tax returns required to be filed and has made timely payment of all taxes due and payable except to the extent such taxes are being contested in good faith as has been previously disclosed to the Company in Exhibit 5.11. Except to the extent that reserves therefor are reflected in the QO Financial Statements, and except as has been otherwise previously disclosed to the Company in writing: (i) there are no material Federal, state or local tax liabilities due or to become due for any period commencing prior to the date hereof and (ii) there are no material claims pending or proposed or threatened against QO for past-due Federal, state or local taxes. The Federal income tax returns of QO have never been audited by the Service. The Service has asserted no deficiencies and proposed no adjustments with respect to taxable years of QO as to which the period during which any income tax may be assessed has not terminated prior to the date hereof, except as has been previously disclosed to the Company. The State of Florida Department of Revenue has not asserted any deficiencies or proposed any adjustments with respect to income taxes payable for taxable years as to which the period during which any such tax may be assessed has not terminated prior to the date hereof, except as has been previously disclosed to the Company. QO has not signed any waivers which extend the period during which any tax may be assessed beyond the ordinary statutory period, except as has been previously disclosed to the Company. QO has made available to the Company true and complete copies of all income tax returns of QO (including any amended return) as filed with the Service and with any state taxing authority.
- 5.12 <u>Compliance with Laws</u>. The officers of QO have no knowledge of any existing violations by QO or the Subsidiary of any Federal, state or local laws, regulations or orders which, individually or in the aggregate, have or could have a material adverse effect on the business, properties or results of operations of QO or the Surviving Corporation.
- 5.13 Stock Options. Other than those certain Letter Agreements between QO and Lewin & Abitbol, M.D., P.A., Shands Cancer Center University of Florida and H. Lee

Moffitt Cancer Center - University of South Florida, respectively, there are no outstanding options, warrants, rights, puts, calls, commitments or agreements of any kind or character to which QO is a party or by which QO is bound, calling for the issuance or sale of any security of QO or any security representing the right to acquire or receive any such security.

- 5.14 <u>Certain Interests</u>. Except as previously disclosed to the Company in writing and listed in Exhibit 5.14, no officer or director of QO or any relative or affiliate of such officer or director has any interest in any property of QO except as a shareholder, and no such person has any business relationship with QO as an employee, independent contractor, lessee or otherwise, except as an officer, director or shareholder.
- 5.15 No Untrue Statements. No statements by QO contained in this Agreement or any of the schedules or exhibits attached to this Agreement or documents referred in this Agreement contain or will contain any untrue statements of a material fact, or omit or will omit to state a fact necessary in order to make the statements not misleading.

ARTICLE 6. ADDITIONAL COVENANTS AND AGREEMENTS.

The Company and QO, respectively, further agree that they will:

- 6.1 At all times subsequent to the date of this Agreement and prior to the Effective Date of the Merger, operate its business in the ordinary course consistent with past practice; and
- 6.2 Use its best efforts to ensure that the purposes of this Agreement are realized prior to the Closing Date and to take all steps as are reasonable in order to implement the operational provisions of this Agreement prior to the Closing Date.

ARTICLE 7. CONDITIONS TO CLOSE.

The obligation of the Company, QO and Subsidiary to consummate the Merger is subject to satisfaction on or prior to the Effective Date of the following conditions:

- 7.1 Each of the acts and undertakings of QO and the Company to be performed on or before the Effective Date pursuant to the terms hereof shall have been duly performed in all material respects, including, but not limited to this Agreement being approved and adopted by QO and all of the shareholders of the Company;
- 7.2 Each of the shareholders of the Company shall have duly executed that certain Shareholders' Agreement by and among QO, the shareholders of the Company and other QO shareholders (the "Shareholders' Agreement"), a copy of which is attached hereto as Exhibit 7.2;

- 7.3 Except as affected by transactions contemplated by this Agreement, the representations and warranties of the Company, QO and Subsidiary, respectively, contained in this Agreement shall be true in all material respects on and as of the Effective Date with the same effect as though such representations and warranties had been made on and as of such date; and
- 7.4 The Merger shall not violate any temporary restraining order, preliminary or permanent injunction, or other order, decree or judgment of any court or governmental body having competent jurisdiction.

ARTICLE 8. TERMINATION OF AGREEMENT.

This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Effective Date of the Merger:

- 8.1 By mutual consent of the Company and QO; or
- 8.2 By either the Company or QO, respectively, if (i) there shall have been a material breach of any representation, warranty, covenant or agreement on the part of QO (or Subsidiary) or the Company, respectively, set forth in this Agreement which breach shall have not been cured, in the case of a representation or warranty, prior to the Closing Date or, in the case of a covenant or agreement, within two (2) business days following receipt by the breaching party of notice of such breach, or (ii) any permanent injunction or other order of a court or other competent authority preventing the consummation of the Merger shall have become final and non-appealable.

ARTICLE 9. EFFECT OF TERMINATION; RIGHT TO PROCEED.

- 9.1 If this Agreement is terminated, all obligations of the Company, QO or Subsidiary under this Agreement shall terminate without liability or obligations of any of the parties hereto to the other, except to the extent that such termination results from the willful breach by a party hereto of any of its representations, warranties, covenants or agreements set forth in this Agreement.
- 9.2 Anything in this Agreement to the contrary notwithstanding, if any of the conditions specified in this Agreement have not been satisfied, the Company and/or QO (and Subsidiary), as the case may be, shall have the right to (i) waive such condition and to proceed with the Merger, or (ii) terminate this Agreement without liability or obligations of any of the parties hereto to the other.
- 9.3 The termination of this Agreement does not terminate the provisions of the Letter of Intent which were intended to survive the termination of such Letter of Intent.

ARTICLE 10. INDEMNIFICATION.

- 10.1 <u>Indemnification</u>. Each party agrees to indemnify, defend and hold harmless the other parties and their respective successors and assigns against any loss, claim, damage, cost, obligation, deficiency, demand, liability, penalty and expense (collectively, a "Loss"), including all legal and other expenses incurred in connection with investigating or defending against any such Loss occasioned by, arising out of or resulting from, either directly or indirectly,
- 10.1.1 Any inaccuracy, breach or default of any covenant, agreement, representation, warranty or condition of such party contained in this Agreement;
- 10.1.2 The ownership, management and conduct of the Company's business prior to and including the Closing Date, except for those claims expressly set forth in the exhibits hereto as of the date of this Agreement or fully reflected or reserved against on the Company Financial Statements; or
- 10.1.3 Any act or omission of either the Company, or any of its respective agents and employees, in respect of periods prior to and including the Closing Date, except for those claims expressly set forth in the exhibits hereto as of the date of this Agreement or fully reflected or reserved against on the Company Financial Statements.
- 10.2 <u>Survival</u>. All of the representations, warranties, covenants, agreements and indemnifications contained in this Agreement shall survive the Closing Date and the Merger and shall continue in full force and effect thereafter for the Transfer Restriction Period, as defined in the Shareholders' Agreement, notwithstanding any investigation or failure to investigate made by any other party.
- Other Rights and Remedies Not Affected. The indemnification rights of the parties under Section 10.1 are independent of and in addition to such rights and remedies as the parties may have at law or in equity or otherwise for any misrepresentation, breach of warranty or failure to fulfill any agreement or covenant contained in this Agreement on the part of any party hereto, including, without limitation, the right to seek specific performance, rescission or restitution, none of which rights or remedies shall be affected or diminished hereby.

ARTICLE 11. MISCELLANEOUS.

11.1 <u>Notices</u>. Any notices or other communications required or permitted hereunder shall be sufficiently given if sent by certified mail, postage prepaid, addressed as follows:

To the Company: 1390 South Dixie Highway, Suite 1304

Coral Gables, Florida 33146

Attn: James G. Schwade, M.D., President

To QO or Subsidiary: Quality Oncology, Inc.

1200 South Pine Island Boulevard, Suite 170

Plantation, Florida 33324 Attn: Thomas Bayless

or such other address as shall be furnished in writing by any party to the others, and any such notice or communication shall be deemed to have been given as of the date so mailed.

- 11.2 <u>Tax Characterization</u>. This transaction is intended to qualify as a tax-free reorganization pursuant to Section 368(a)(2)(D) of the Code. Accordingly, on and after the Effective Date, the books and records of the Surviving Corporation shall be maintained in such a manner as to appropriately reflect a consummation of the reorganization contained herein and all reports required to be filed with the Service on and after the Effective Date will appropriately reflect the reorganization.
- 11.3 <u>Binding Effect</u>. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns; provided that this Agreement may not be assigned by any party without the consent of the other parties.
- 11.4 <u>Amendments</u>. This Agreement may be amended only in writing with the written approval of the parties hereto.
- 11.5 <u>Counterparts</u>. This Agreement may be executed in one or more counterparts all of which shall be considered one and the same and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties.
- 11.6 Entire Agreement. This Agreement and the documents, letters and exhibits described herein or attached or delivered pursuant hereto set forth the entire agreement and understanding of the parties in respect of the transactions contemplated hereby and supersede all prior agreements, arrangements and understandings relating to the subject matter hereof.
- 11.7 Governing Law: Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Any suit by any party relating to this Agreement shall be brought and maintained in Dade County, Florida.
- 11.8. No Waivers. The waiver by a party hereto of another party's prompt and complete performance, or breach or violation, of any provision of this Agreement shall not operate as, nor be construed to be, a waiver of any subsequent obligation to perform, breach or violation, and the waiver by any party hereto to exercise any right or remedy that he may

possess shall not operate as, nor be construed to be, the waiver of such right or remedy by any other party or parties or a bar to the exercise of such right or remedy by such party or parties upon the occurrence of any subsequent obligation to perform, breach or violation.

- 11.9. Severability. The invalidity of any provision of this Agreement shall not affect the enforceability of the remaining provisions of this Agreement or any part hereof, all of which are inserted conditionally on their being valid in law, and, in the event that a provision of this Agreement shall be declared invalid by a court of competent jurisdiction, this Agreement shall be construed as if such invalid provisions had not been inserted.
- 11.10. <u>Headings</u>. The section and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of any or all of the provisions of this Agreement.
- 11.11. Pronouns and Plurals. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns and verbs shall include the plural and vice versa.
- 11.12. Attorney's Fees and Costs. In the event of a dispute between the parties hereto arising out of or in connection with this Agreement, then the losing party in any action, claim or suit shall be responsible for the payment of all reasonable attorney's fees and costs, at trial and appellate levels, incurred by or on behalf of the prevailing party.
- 11.13 Good Faith; Reasonable Assurances. Each party hereto agrees to act in good faith with respect to the other party or parties in exercising its rights and discharging its obligations under this Agreement. Each party further agrees to use its best efforts to ensure that the purposes of this Agreement are realized and to take all steps as are reasonable in order to implement the operational provisions of this Agreement, including, but not limited to, executing and delivering such other documents, certificates, agreements and other writings and taking such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.
- 11.14 Conflict of Interest. The parties to this Agreement recognize that the Firm, the drafters of this Agreement, has rendered advice and counsel in the past to QO and the Company. The parties hereto acknowledge that the Firm is representing QO and Subsidiary with respect to this Agreement and that the Company has been advised to retain independent counsel to advise it regarding this Agreement. Each of the parties hereto hereby release and relinquish any claim against the Firm or any of its members from any conflict of interest arising or purportedly arising from this Agreement or the transactions contemplated herein.

[Signature Page Continues]

IN WITNESS WHEREOF, this Agreement has been signed by the duly authorized officers of each of the parties as of the day and year first set forth above.

QUALITY ONCOLOGY, INC., a Florida corporation

Title: President

JAMES G. SCHWADE, M.D. AND ASSOCIATES, INC., a Florida corporation

Title: President

QUALITY ONCOLOGY OF CORAL GABLES, INC., a Florida corporation

Title President

[Signature Page Continues]

Limited Joinder

Each of the undersigned hereby agree (i) to abide by the terms and conditions of Section 3.2 and 7.2 of the Agreement and (ii) jointly and severally, to the terms and provisions of Article 10 of the Agreement as if each of the undersigned was named, along with, and in the place and stead of, the Company and further represent and warrant to QO and the Subsidiary that the representations and warranties made by the Company under Sections 4.1 through 4.18, inclusive, of the Agreement are true and correct as of the date of the Agreement. In lieu of a cash payment in connection with any such indemnification obligations under Article 10 of the Agreement, each of the undersigned hereby agree to allow QO to retire and cancel the number of shares of QO Stock issued to such individual under the Agreement with a fair market value, as determined on the date of the Agreement, equal to such indemnification obligation pursuant to the terms and conditions of Section 2.4 of the Shareholders' Agreement.

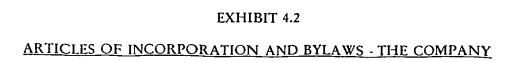
Name: James G. Schwade, M.D.

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EXHIBIT 3.2

<u>ARBITRATION</u>

- 1. Any dispute, controversy or question of interpretation arising out of or relating to Section 3.2 of this Agreement shall be settled by arbitration in Miami, Florida in accordance with the procedures provided herein.
- 2. Arbitration may be initiated by a party by serving written demand upon the other party or parties. The demand shall specify the issues in dispute and the name of the person designated to act as arbitrator on behalf of the party initiating arbitration. The party or parties receiving the demand shall answer within twenty (20) days of the date demand is made by stating any additional issues in dispute and the name of the person designated to act as arbitrator on behalf of such party or parties. Failure to answer will result in a denial of the issues in the demand, in a waiver of the right to raise additional issues relating to the issues set forth in the demand at any future date, and in a waiver of the selection of the second arbitrator. If the failure to answer results in the selection of only one arbitrator, that arbitrator, acting alone, shall hear the issues presented for arbitration and render a written decision within twenty (20) days thereof in accordance with all other applicable provisions of this Exhibit 3.2.
- 3. The arbitrators so chosen shall meet within twenty (20) days after the second arbitrator is chosen and shall decide the dispute, controversy or question of interpretation. If they are not able to resolve the dispute, controversy or question of interpretation within the twenty-day period, the selected arbitrators shall select a third arbitrator and, if they cannot agree on the third arbitrator within twenty (20) days, the third arbitrator shall be appointed upon their application, or upon the application of either party, by the American Arbitration Association (AAA) in Miami, Florida.
- 4. The arbitrator or arbitrators shall have the broadest powers permitted by law or equity, including the power to grant injunctive relief, order specific performance, and grant other equitable remedies which the arbitrators deem appropriate. The arbitrator or arbitrators shall conduct conferences and hearings, as appropriate, hear arguments of the parties, and take the testimony of witnesses.
- 5. The three arbitrators shall meet and decide the dispute, controversy or question of interpretation by written decision stating the reasons in support thereof, and shall render an award within sixty (60) days of the demand for arbitration or within twenty (20) days of the appointment of the third arbitrator, whichever is later. A decision in which two of the three arbitrators concur shall be binding and conclusive upon the parties, subject to vacation, modification or correction as permitted by the Florida Arbitration Code (FAC). If two of the arbitrators shall be unable to concur, the parties shall appoint new arbitrators and a new arbitration shall be conducted. In appointing arbitrators and in deciding the dispute, the arbitrators shall act in accordance with the rules of the AAA then in force, subject however, to such limitations as may be placed upon them by the provisions of this Agreement, except that each party may appoint as its arbitrator its own attorney, accountant, employee or officer.
- 6. Any determination rendered in accordance with the provisions of Exhibit 3.2 shall be controlling and decisive of any dispute, controversy or question of interpretation thereafter arising under this Agreement, and judgment upon, or confirmation of, the determination may be entered in any court of record of competent jurisdiction or application may be made in such court for judicial acceptance of the award and an order of enforcement as the law of such jurisdiction may require or allow. The parties waive all rights of appeal of any order confirming, modifying or correcting a determination or award by the arbitrator or arbitrators or any order, judgment, or decree provided under Section 682.20 of the FAC. The determination of the arbitrator or arbitrators shall be kept confidential by the parties, unless disclosure is required for purposes of enforcement or required by law.
- 7. The prevailing party shall be entitled to recover reasonable attorneys' fees and costs, including such fees and costs resulting from any action to confirm the award or enforce the judgment resulting therefrom.



AMENDED AND RESTATED ARTICLES OF INCORPORATION OF QUALITY ONCOLOGY OF CORAL GABLES, INC.

Quality Oncology of Coral Gables, Inc., a Florida corporation (the "Corporation"), hereby certifies:

FIRST: That the attached Articles of Incorporation and amendments thereto, attached hereto as Exhibit "A", were duly approved and adopted by all of the Directors and Shareholders of the Corporation by their unanimous written action and consent dated, January 23, 1997; provided however, that Article I of the Articles of Incorporation be deleted in its entirety and amended as follows:

ARTICLE I. NAME OF THE CORPORATION

The name of the corporation shall be Quality Oncology of Coral Gables, Inc.

SECOND: That said Amended and Restated Articles of Incorporation were duly adopted in accordance with the provisions of Sections 607.1003 and 607.1006, Florida Statutes.

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Bepartment of State

I certify the attached is a true and correct copy of the Articles of Incorporation of JAMES G. SCHWADE, M.D. AND ASSOCIATES, P.A., a Florida corporation, filed on August 3, 1994 effective August 2, 1994, as shown by the records of this office.

The document number of this corporation is P94000057336.

Siven under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the Third day of August, 1994

CR2EO22 (2-91)

Ji Smith

Jim Smith Secretary of State Articles of Incorporation

of

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SECRETARY

JAMES G. SCHWADE, M.D. AND ASSOCIÁ

the laws of the State of Florida:

EFFECTIVE DATI

ARTICLE I. CORPORATE NAME

The name of this Corporation is:

JAMES G. SCHWADE, M.D. AND ASSOCIATES, P.A.

ARTICLE II. MAILING ADDRESS OF CORPORATION

The mailing address of this Corporation is:

c/o KTG&S Registered Agent Corporation 1401 Brickell Avenue Suite 700 Miami, Florida 33131

ARTICLE III. NATURE OF BUSINESS

This Corporation, through its officers and employees, shall be authorized to engage in every aspect and phase of the practice of medicine within the State of Florida; to engage in any activities which will facilitate and promote the practice of medicine through its officers and employees; and to invest and reinvest its funds in real estate, mortgages, stocks, bonds and any other type of investments within the meaning of Section 8 of the Professional Service Corporation Act; and to purchase and own real and personal property necessary for the rendering of professional services within the practice of medicine. This

Corporation shall not be authorized to engage in any business other than the practice of medicine.

ARTICLE IV. CAPITAL STOCK

The aggregate number of shares of stock that this

Corporation is authorized to issue and have outstanding at any
one time is One Hundred Thousand (100,000) shares of common stock
having a par value of \$.001 per share. The Board of Directors of
this Corporation shall have the power to divide and issue the
Common Stock into one or more series and to determine the
limitation and relative rights of each such series, consistent
with the laws of the State of Florida. Shares of one series may
be issued as a share dividend in respect of shares of another
series.

ARTICLE V. COMMENCEMENT AND TERM OF EXISTENCE

This Corporation shall commence its corporate existence on August 2, 1994. This Corporation shall have perpetual existence.

ARTICLE VI. INITIAL REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of this Corporation in the State of Florida and the Corporation's initial registered agent at that office shall be:

KTG&S Registered Agent Corporation 1401 Brickell Avenue Suite 700 Miami, Florida 33131

ARTICLE VII. BOARD OF DIRECTORS

This Corporation shall have one (1) director initially. The number of directors may be increased or decreased from time to time as provided in the By-Laws, but shall never be less than one (1).

ARTICLE VIII. INCORPORATOR

The name and street address of the person signing these Articles of Incorporation as the Incorporator is:

KTG&S Registered Agent Corporation 1401 Brickell Avenue Suite 700 Miami, Florida 33131

ARTICLE IX. AMENDMENT

These Articles of Incorporation may be amended in the manner prescribed by law, except that upon the issuance of shares, every amendment must be approved by the Board of Directors of the Corporation before it is submitted to the shareholders of the Corporation for their approval.

ARTICLE X. <u>INDEMNIFICATION</u>

Except as may otherwise be provided in the Bylaws of this Corporation, this Corporation shall indemnify its incorporators, officers and directors to the fullest extent permitted by law either now or hereafter in effect.

ARTICLE XI. INCORPORATION OF PROVISIONS OF CORPORATION ACT

This Corporation is intended to be a Professional

Corporation within the meaning of the Professional Services

Corporation Act, and accordingly, the Corporation, its officers,

directors and stockholders, shall be subject to all of the

Sections of said Act concerning the formation of the Corporation,

the conduct of its business, and the liabilities, rights,

privileges and immunities of the Corporation, its officers,

directors and stockholders, as stated in Chapter 621, Florida

Statutes.

IN WITNESS WHEREOF, the undersigned, as the Incorporator, has executed the foregoing Articles of Incorporation as of August 2, 1994.

KTG&S Registered Agent Corporation

By:

Michael Kosnitzky

President

CERTIFICATE ACCUPTING DESIGNATION AS AN AGENT UPON WHOM SERVICE OF PROCESS WITHIN THIS STATE MAY BE SERVED

The following is submitted pursuant to Sections 48.091 and 607.0501 of the Florida Statutes:

Having been appointed registered agent of JAMES G. SCHWADE, M.D. AND ASSOCIATES, P.A. in its Articles of Incorporation, at the place designated in such Articles of Incorporation, the undersigned hereby agrees to act in this capacity and affirms that it is familiar with, and accepts, the obligations of such position.

KTG&S Registered Agent Corporation

By:

Michael Kosnitzky

President

Dated: August 2, 1994

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SEGRETARY OF STATE
TALLAHASSEE, FLORIDA

JAMES G. SCHWADE, M.D. AND ASSOCIATES, P.A.

ARTICLE I

Meetings of Shareholders

section 1-Annual Meetings. The annual meeting of the shareholders of JAMES G. SCHWADE, M.D. AND ASSOCIATES, P.A., (the "Corporation") for the election of directors and for such other business as may properly come before the meeting shall be held not less than one (1) month nor more than four (4) months after the end of each fiscal year. The time and place of the meeting shall be designated by the Secretary or President.

section 2 - Special Meeting. Special meetings of the shareholders shall be held when directed by the President or the Secretary, or by a majority of the Board of Directors or when requested in writing by shareholders holding at least 10% of the Corporation's stock having the right and entitled to vote at such meeting. A special meeting requested by shareholders shall be called for a date not less than 10 nor more than 60 days after the request is made. The call for the meeting shall be issued by the Secretary, unless the President or the Chairman of the Board, or shareholders requesting the calling of the meeting designate another person to do so. Only business within the purposes described in the notice required in Section 4 of this Article may be conducted at a special shareholders' meeting. The time and place of the meeting shall be designated by the person calling the meeting.

<u>section 3 - Place</u>. Meetings of the shareholders will be held at the principal place of business of the Corporation or at such other place as is designated by the Board of Directors either within or out of the State of Florida.

section 4 - Notice. A written notice of each meeting shareholders, signed by the Secretary or the person authorized to call the meeting, shall be transmitted to each shareholder having the right and entitled to vote at the meeting at the address of such shareholder as it appears on the records of the Corporation, not less than 10 nor more than 60 days before the date set for the meeting. The written notice shall be either personally delivered, mailed by first class mail or by confirmed facsimile transmission. In the event of an emergency which makes the foregoing notice impractical, notice by telephone shall be permitted. The record date for determining shareholders entitled to vote at the meeting will be the date fixed by Board of Directors or the close of business on the day before the notice is sent. The notice shall state the time and place the meeting is to be held. A notice of a special meeting shall also state the purposes of the meeting. A notice of meeting shall be sufficient for the meeting and any adjournment of it. If a shareholder transfers any shares after the notice is sent, it shall not be necessary to notify the transferee. All shareholders may waive notice of a meeting before, at or after the meeting. All waivers shall be made in accordance with Section 607.0706, Florida Statutes.

Section 5 - Shareholder Quorum. Unless specifically provided to the contrary in Section 607.0727, Florida Statutes, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. Any number of shareholders, even if less than a quorum, may adjourn the meeting from time to time and place to place without further notice until a quorum is obtained. After a quorum has been established at a shareholders' meeting, the subsequent withdrawal of shareholders, so as to reduce the number of shares entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any actions taken at the meeting or any adjournment thereof.

<u>Section 6 - Shareholder Voting</u>. If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders unless otherwise provided by law. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. The books of record of shareholders shall be produced at a shareholders' meeting upon the request of any shareholder.

Section 7 - Proxies. A shareholder or "other person" entitled to vote on behalf of a shareholder pursuant to Section 607.0721, Florida Statutes entitled to vote at any meeting of shareholders or any adjournment thereof may vote in person or by proxy executed in writing and signed by the shareholder, "other person" or his attorney-in-fact. The appointment of proxy will be effective when received by the Corporation's Secretary or other officer or agent authorized to tabulate votes. If a proxy designates two or more persons to act as proxies, a majority of these persons present at the meeting, or if only one is present, that one, has all of the powers conferred by the instrument upon all the persons designated unless the instrument otherwise provides. No proxy shall be valid more than 11 months after the date of its execution unless a longer term is expressly stated in the proxy.

<u>Section 8 - Validation</u>. If shareholders who hold a majority of the voting stock entitled to vote at a meeting are present at the meeting, and sign a written consent to the meeting on the record, the acts of the meeting shall be valid, even if the meeting was not legally called and noticed.

Section 9 - Conduct of Business Without Meeting by Shareholders. Any action of the shareholders may be taken without a meeting if written consents, setting forth the action taken, are signed by at least a majority of shares entitled to vote and are delivered to

the Corporation's principal place of business, Secretary, or other officer or agent of the Corporation having custody of the Corporation's books within 60 days after the date that the earliest written consent was delivered.

Within 10 days after obtaining an authorization of an action by written consent, notice shall be given to those shareholders who have not consented in writing or who are not entitled to vote on the action. The notice shall fairly summarize the material features of the authorized action. If the action creates dissenters' rights, the notice shall contain a clear statement of the right of dissenting shareholders to be paid the fair value of their shares upon compliance with and as provided for by the Florida Business Corporation Act.

Section 10 - Voting Trusts. Any number of shareholders of this Corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise present their shares, as provided by law. Where the counterpart of a voting trust agreement and the copy of the record of the holders of voting trust certificates has been deposited with the Corporation as provided by law, such documents shall be subject to the same right of examination by any shareholder of the Corporation, in person or by agent or attorney, as are the books and records of the Corporation, and such counterparts and such copy of such record shall be subject to examination by any holder of record of voting trust certificates either in person or by agent or attorney, at any reasonable time for any proper purposes.

<u>Section 11 - Shareholders' Agreements</u>. Two or more shareholders of this Corporation may enter into any agreement providing for the exercise of voting rights in the manner provided in the agreement or relating to any phase of the affairs of the Corporation as provided by law. Nothing therein shall impair the right of this Corporation to treat the shareholders of record as entitled to vote the shares standing in their names.

ARTICLE II

Directors

<u>section 1 - Function</u>. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors. Directors must be natural persons who are at least 18 years of age but need not be residents of Florida or shareholders of the Corporation.

<u>Bection 2 - Compensation</u>. The shareholders shall have authority to fix the compensation of directors. Unless specifically authorized by a resolution of the shareholders, the directors shall serve in such capacity without compensation.

<u>section 3 - Presumption of Assent</u>. A director who is present at a meeting of the Board of Directors or a committee of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he objects at the beginning of the meeting (or promptly upon arriving) to the holding of the meeting or transacting the specified business at the meeting, or if the director votes against the action taken or abstains from voting because of an asserted conflict of interest.

<u>Section 4 - Number</u>. The Corporation shall have the number of directors provided for in the Corporation's Articles of Incorporation. The number of directors may be increased or decreased from time to time by the shareholders, provided that the Corporation must have at least one director.

Section 5 - Election and Term. Each person named Articles of Incorporation as a member of the initial Board of Directors and the person named in the Articles of Incorporation as Chairman of the Board of Directors ("Chairman"), if any, shall hold office until the first annual meeting of shareholders and until his successor has been elected and qualified or until his earlier resignation, removal from office or death. At each annual meeting of shareholders, the shareholders shall elect directors and if they so elect, a Chairman to hold office until the next annual meeting or until their earlier resignation, removal from office or death. The Chairman, if elected, shall preside at all meetings of directors and of shareholders. If no Chairman is elected or present, the President of the Corporation shall preside at all meetings of directors and shareholders. Directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present.

<u>Section 6 - Vacancies</u>. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, may be filled by the shareholders or by the

affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall hold office only until the next election of directors by the shareholders. If there are no remaining directors, the vacancy shall be filled by the shareholders.

<u>Section 7 - Removal of Directors</u>. At a meeting of shareholders, any director or the entire Board of Directors may be removed, with or without cause, provided the notice of the meeting states that one of the purposes of the meeting is the removal of the director. A director may be removed only if the number of votes cast to remove him exceeds the number of votes cast against removal.

<u>Section 8 - Quorum and Voting</u>. A majority of the number of directors fixed by these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9 - Executive and Other Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees each of which must have at least two members and, to the extent provided in the resolution, shall have and may exercise all the authority of the Board of Directors, except as provided by law.

<u>section 10 - Place of Meeting</u>. Regular and special meetings of the Board of Directors shall be held at the principal place of business of the Corporation or at another place designated by the person or persons giving notice or otherwise calling the meeting.

Section 11 - Time, Notice and Call of Meetings. Regular meetings of the Board of Directors shall be held without notice at the time and on the date designated by resolution of the Board of Directors. Written notice of the time, date and place of special meetings of the Board of Directors shall be given to each director by hand delivery, first class mail or confirmed facsimile at least two (2) days before the meeting.

Notice of a meeting of the Board of Directors need not be given to a director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting constitutes a waiver of notice of that meeting and waiver of all objections to the place of the meeting, the time of the meeting, and the manner in which it has been called or convened, except when a director states at the beginning of the meeting or promptly upon arrival at the meeting, objection to the transaction of business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors must be specified in the notice or waiver of notice of the meeting.

A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of an adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting is announced at the time of the adjournment, to the other directors.

Meetings of the Board of Directors may be called by the Chairman or by any two directors or by the President.

Members of the Board of Directors (and any committee of the Board) may participate in a meeting of the Board (or committee) by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and talk to each other at the same time. Participation by these means constitutes presence in person at a meeting.

Section 12 - Action Without a Meeting. Any action required to be taken at a meeting of the Board of Directors (or a committee of the Board), and any action which may be taken at a meeting of the Board of Directors (or a committee of the Board) may be taken without a meeting if a consent in writing, setting forth the action to be taken and signed by all of the directors (or members of the committee), is filed in the minutes of the proceedings of the Board. The action taken shall be deemed effective when the last director signs the consent, unless the consent specifies otherwise.

Section 13 - Conflicts of Interest.

- (A) No contract or other transaction between this Corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of the directors are directors or officers or are financially interested, shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, if:
- (1) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or
- (2) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they

authorize, approve or ratify such contract or transaction by vote or written consent. For purposes hereof authorizations, approvals and ratifications shall be determined in accordance with Section 607.0832(3), Florida Statutes; or

- (3) The contract or transaction is fair and reasonable as to the Corporation at the time it is authorized by the board, a committee thereof or the shareholders.
- (B) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

ARTICLE III

Officers

Section 1 - Officers. The Corporation shall have a President, one or more vice-Presidents, a Secretary and a Treasurer. Except as otherwise provided in an employment agreement which the Corporation has with an officer, each person named in the articles of incorporation as an officer shall serve in that capacity until his successor is chosen by the directors at a regular or special meeting of the directors or until removed pursuant to Section 5 of this Article. All other officers and agents shall be chosen, serve for the terms, and have the duties determined by the directors. A person may hold two or more offices.

section 2 - Duties. The officers of this Corporation shall have the
following duties:

The President shall be the chief executive officer of the corporation and shall have general and active management of the business and affairs of the corporation subject to the direction of the Board of Directors. He shall preside at meetings of the shareholders and, unless a Chairman of the Board of Directors shall have been elected and is present, shall preside at meetings of the Board of Directors.

Each Vice-President shall exercise the powers and perform the functions that are from time to time assigned to him by the President or the Board of Directors. Each Vice-President shall have the powers and shall exercise the duties of the President when specifically directed by the Board of Directors.

The Secretary shall have custody of and maintain all of the corporate records except the financial records, shall record the minutes of all meetings of the shareholders and Board of Directors, send all notices of meetings and perform other duties prescribed by the Board of Directors or the President.

The Treasurer shall have custody of all corporate funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts at the annual meetings of shareholders and when required by the Board of Directors or the President, and shall perform other duties prescribed by the Board of Directors or the President.

<u>section 3 - Absence or Incapacity of Officer.</u> If an officer is absent or unable to act, the Board of Directors may delegate his powers for the time being to any other officer or person it selects.

section 4 - Resignation and Removal of Officer. An officer may resign at any time by delivering notice to the Corporation. The resignation shall be effective upon receipt, unless the notice specifies a later date. If the resignation is effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date provided the successor officer does not take office until the future effective date.

The Board of Directors may remove any officer at any time with or without cause. Any officer, if appointed by another officer, may be removed by that officer.

<u>section 5 - Salaries</u>. The Board of Directors may enter into employment agreements with any officer of the Corporation. Unless provided for in an employment agreement between the Corporation and an officer, all officers of the Corporation serve in their capacities without compensation.

<u>section 6 - Bank Accounts</u>. The Corporation shall have accounts with financial institutions as determined by the Board of Directors. The Board of Directors will designate the signatories on such accounts, from time to time.

ARTICLE IV

Stock Certificates

<u>section 1 - Issuance</u>. The Board of Directors may authorize the issuance of some or all of the shares of any or all of its classes or series without certificates. Each certificate issued shall be signed by the President and the Secretary or other designated officers.

<u>section 2 - Form.</u> The rights and obligations of shareholders are identical whether or not their shares are represented by certificates.

<u>Section 3 - Registered Shareholders</u>. No certificate shall be issued for any share until the share is fully paid. The Corporation shall be entitled to treat the holder of record of shares as the holder in fact and, except as otherwise provided by the laws of Florida, shall not be bound to recognize any equitable or other claim to or interest in the shares.

Bection 4 - Transfer of Shares. Shares of the Corporation shall be transferred on its books only after the surrender to the Corporation of the share certificates duly endorsed by the holder of record or his attorney-in-fact. If the surrendered certificates are canceled, new certificates shall be issued to the person entitled to them, and the transaction recorded on the books of the Corporation.

Section 5 - Lost, Stolen or Destroyed Certificates. If a shareholder claims to have lost or destroyed a certificate issued by the Corporation, a new certificate shall be issued upon the delivery to the Corporation of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed, and, at the discretion of the Board of Directors, upon the deposit of a bond or other indemnity as the Board reasonably requires.

ARTICLE V

<u>Distributions</u>

The Board of Directors may, from time to time, declare distributions to its shareholders in cash, property, or its own shares, unless the distribution would cause (i) the Corporation to be unable to pay its debts as they become due in the usual course of business, or (ii) the Corporation's assets to be less than its liabilities plus the amount necessary, if the Corporation were dissolved at the time of the distribution, to satisfy the preferential rights of shareholders whose rights are superior to those receiving the distribution. The shareholders and the Corporation may enter into an agreement requiring the distribution of corporate profits, subject to the provisions of Florida Law.

ARTICLE VI

Corporate Records, Shareholders'
Inspection Rights; Financial Information

Section 1 - Corporate Records.

(A) The Corporation shall keep as permanent records: minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors on behalf of the Corporation.

- (B) The Corporation shall maintain accurate accounting records and a record of its shareholders in a form that permits preparation of a list of the names and addresses of all shareholders in alphabetical order by class of shares showing the number and series of shares held by each.
- (C) The Corporation shall keep a copy of: its articles or restated articles of incorporation and all amendments to them currently in effect; these Bylaws or restated Bylaws and all amendments currently in effect; resolutions adopted by the Board of Directors creating one or more classes or series of shares and fixing their relative rights, preferences, and limitations, if shares issued pursuant to those resolutions are outstanding; the minutes of all shareholders' meetings and records of all actions taken by shareholders without a meeting for the past three years; written communications to all shareholders generally or all shareholders of a class of series within the past three years, including the financial statements furnished for the last three years; a list of names and business street addresses of its current directors and officers; and its most recent annual report delivered to the Department of State.
- (D) The corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.
- <u>section 2 Shareholders' Inspection Rights</u>. A shareholder is entitled to inspect and copy, during regular business hours at the Corporation's principal office, any of the corporate records described in Section 1(C) of this Article if the shareholder gives the Corporation written notice of the demand at least five business days before the date on which he wishes to inspect and copy the records.

A shareholder is entitled to inspect and copy, during regular business hours at a reasonable location specified by the Corporation, any of the following records of the Corporation if the shareholder gives the Corporation written notice of this demand at least five business days before the date on which he wishes to inspect and copy provided (a) the demand is made in good faith and for a proper purpose; (b) the shareholder describes with reasonable particularity the purpose and the records he desires to inspect; and (c) the records are directly connected with the purpose: (i) excerpts from minutes of any meeting of the Board of Directors, records of any action of a committee of the Board of Directors while acting in place of the Board on behalf of the Corporation; (ii) accounting records; (iii) the record of shareholders; and (iv) any other books and records of the Corporation.

This Section 2 does not affect the right of a shareholder to inspect and copy the shareholders' list described in Section 4 of Article I, if the shareholder is in litigation with the Corporation

to the same extent as any other litigant or the power of a court to compel the production of corporate records for examination.

The Corporation may deny any demand for inspection if the demand was made for an improper purpose, or if the demanding shareholder has within the two years preceding his demand, sold or offered for sale any list of shareholders of the Corporation or of any other corporation, has aided or abetted any person in procuring any list of shareholders for that purpose, or has improperly used any information secured through any prior examination of the records of this Corporation or any other corporation.

Bection 3 - Financial Statements for Shareholders. Unless modified by resolution of the shareholders within 120 days after the close of each fiscal year, the Corporation shall furnish its shareholders with annual financial statements which may be consolidated or combined statements of the Corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of cash flow for that year. If financial statements are prepared for the Corporation on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.

If the annual financial statements are reported upon by a public accountant, his report must accompany them. If not, the statements must be accompanied by a statement of the President or the person responsible for the Corporation's accounting records stating his reasonable belief as to whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation and describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

The Corporation shall mail the annual financial statements to each shareholder within 120 days after the close of each fiscal year or within such additional time thereafter as is reasonably necessary to enable the Corporation to prepare its financial statements. Thereafter, on written request from a shareholder who was not mailed the statements, the Corporation shall mail him the latest annual financial statements.

section 4 - Other Reports to Shareholder. If the Corporation indemnifies or advances expenses to any director, officer, employee or agent otherwise than by court order or action by the shareholders or by an insurance carrier pursuant to insurance maintained by the Corporation, the Corporation shall report the indemnification or advance in writing to the shareholders with or before the notice of the next annual shareholders' meetings, or prior to the meeting if the indemnification or advance occurs after the giving of the notice but prior to the time the annual meeting

is held. This report shall include a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

If the Corporation issues or authorizes the issuance of shares for promises to render services in the future, the Corporation shall report in writing to the shareholders the number of shares authorized or issued, and the consideration received by the Corporation, with or before the notice of the next shareholders' meeting.

ARTICLE VII

Indemnification

Section 1 - Indemnification.

- (A) The Corporation shall, and does hereby, indemnify, to the fullest extent permitted or authorized by current or future legislation or current or future judicial or administrative decisions (but, in the case of any such future legislation or decisions, only to the extent that it permits the Corporation to provide broader indemnification rights than permitted prior to such legislation or decision), each person (including the heirs, executors, administrators and estate of the person) who was or is a party, or is threatened to be made a party, or was or is a witness, to any threatened, pending or completed action, suit or civil, whether criminal, administrative proceeding, therefrom (collectively, investigative and any appeal 'Proceeding'), against all liability (which for purposes of this Article includes all judgments, settlements, penalties and fines) and costs, charges, and expenses (including attorneys' fees) asserted against him or incurred by him by reason of the fact that the person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including serving as a fiduciary of an employee benefit plan).
- (B) Notwithstanding the foregoing, except with respect to the indemnification specified in Section 3 of this Article, the Corporation shall indemnify a person entitled to indemnification under subsection (A) in connection with a Proceeding (or part thereof) initiated by an indemnified person only if authorization for the Proceeding (or part thereof) was not denied by the Board of Directors of the Corporation within 60 days after receipt of notice thereof from the indemnified person.

<u>Section 2 - Advance of Costs, Charges and Expenses</u>. Costs, charges and expenses (including attorneys' fees) incurred by a person referred to in Section 1(A) of this Article in defending a

Proceeding shall be paid by the Corporation to the fullest extent permitted or authorized by current or future legislation or current or future judicial or administrative decisions (but, in the case of any future legislation or decisions, only to the extent that it permits the Corporation to provide broader rights to advance costs, charges and expenses than permitted prior to the legislation or decisions) in advance of the final disposition of the Proceeding, upon receipt of an undertaking reasonably satisfactory to the Board of Directors (the 'Undertaking') by or on behalf of the indemnified person to repay all amounts so advanced if it is ultimately determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article; provided that, in connection with a Proceeding (or part thereof) initiated by such person (except a Proceeding authorized by Section 3 of this Article), the Corporation shall pay the costs, charges and expenses in advance of the final disposition of the Proceeding only if authorization for the Proceeding (or part thereof) was not denied by the Board of Directors of the Corporation within 60 days after receipt of a request for advancement accompanied by an Undertaking. A person to whom costs, charges and expenses are advanced pursuant to this Article shall not be obligated to repay pursuant to the Undertaking until the final determination of (a) the pending Proceeding in a court of competent jurisdiction concerning the right of that person to be indemnified or (b) the obligation of the person to repay pursuant to the Undertaking. The Board of Directors may, upon approval of the indemnified person, authorize the Corporation's counsel to represent the person in any action, suit or proceeding, whether or not the Corporation is a party to the action, suit or proceeding.

Section 3 - Procedure For Indemnification. Any indemnification or advance under this Article shall be made promptly, and in any event within 60 days after delivery of the written request of the director or officer. The right to indemnification or advances as granted by this Article shall be enforceable by the director or officer in any court of competent jurisdiction if the Corporation denies the request under this Article in whole or in part, or if no disposition of the request is made within the 60-day period after delivery of the request. The requesting person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any action shall also be indemnified by the Corporation. It shall be a defense available to the Corporation to assert in the action that indemnification is prohibited by law or that the claimant has not met the standard of conduct, if any, required by current or future legislation or by current or future judicial or administrative decisions for indemnification (but, in the case of future legislation or decision, only to the extent that the legislation does not impose a more stringent standard of conduct than permitted prior to the legislation or decisions). The burden of proving this defense shall be on the Corporation. Neither (a) the failure of the Corporation (including its Board of Directors or any committee

thereof, its independent legal counsel, and its shareholders) to have made a determination (prior to the commencement of the action) that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct, if any, nor (b) the fact that there has been an actual determination by the Corporation (including its Board of Directors or any committee thereof, its independent legal counsel, and its stockholders) that the claimant has not met the applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 4 - Survival of Indemnification. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may now or hereafter be entitled under any statute, agreement, vote of stockholders or disinterested directors or recommendation of counsel or otherwise, both as to actions in the person's capacity as an officer, director and as to actions in another capacity while still an officer, director, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the estate, heirs, beneficiaries, executors and administrators of such a person. All rights to indemnification under this Article shall be deemed to be a contract between the Corporation and each director, officer of the Corporation described in Section 1 of this Article who serves or served as such at any time while this Article is in effect. Any repeal or modification of this Article or any repeal or modification of relevant provisions of the Florida Business Corporation Act or any other applicable laws shall not in any way diminish the rights to indemnification of such director or officer or the obligations of the Corporation arising hereunder for claims relating to matters occurring prior to the repeal or modification. The Board of Directors of the Corporation shall have the authority, by resolution, to provide for indemnification of agents of the Corporation and for such other indemnification of the directors and officers of the Corporation as it deems appropriate.

<u>Section 5 - Insurance</u>. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including serving as a fiduciary of an employee benefit plan), against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article or the applicable provisions of the Florida General Corporation Act.

<u>Section 6 - Savings Clause</u>. If this Article or any portion is invalidated or held to be unenforceable on any ground by a court of competent jurisdiction, the Corporation shall nevertheless indemnify each director and officer of the Corporation described in

Section I of this Article to the fullest extent permitted by all applicable portions of this Article that have not been invalidated or adjudicated unenforceable, and as permitted by applicable law.

ARTICLE VIII. AMENDMENT

These Bylaws may be altered, amended or repealed, and new Bylaws adopted, by the Board of Directors or shareholders.

ARTICLE IX

<u>Seal</u>

The corporate seal shall be circular in form and include the name of the Corporation and the year and place of incorporation. The corporate seal may be a facsimile, engraved, printed, or an impression seal.

I HEREBY CERTIFY that the foregoing Bylaws of JAMES G. SCHWADE, M.D. AND ASSOCIATES, P.A. are the Bylaws duly adopted by the Incorporator of the Corporation by organization action effective as of August 2, 1994.

James G. Schwade, M.D.,

Secretary

EXHIBIT 4.5 <u>LITIGATION - THE COMPANY</u>

EXHIBIT 4.9

CAPITALIZATION - THE COMPANY

<u>Name</u>

Number of Shares Owned

James G. Schwade, M.D.

500

EXHIBIT 4.10 TAX MATTERS - THE COMPANY

CONTRACTS AND OTHER AGREEMENTS - THE COMPANY

Independent Contractor Agreement dated April 1, 1995 by and between James G. Schwade, M.D. and HEALTHSOUTH Doctors' Hospital, Inc.

EXHIBIT 4.14 CERTAIN INTERESTS - THE COMPANY

EXHIBIT 4.17 PROFESSIONAL LIABILITY LAWSUITS - THE COMPANY

EXHIBIT 5.5

LITIGATION - QO AND SUBSIDIARY

EXHIBIT 5.10

CAPITALIZATION - QO

Name		Number of Shares Owned
1.	James G. Schwade, M.D., & Associates, P.A.	27,190
2.	Smith, Williams, Shope, M.D., P.A.	27,190
3.	Kerman, Bloom, Yaeger & Spangler, P.A. (d/b/a Radiation Oncology Associates)	27,190
4.	Greene and Speer, Q.O. Associates, P.A.	27,190
5.	Sarasota County Oncology, P.A.	27,190
6.	Radiation Oncology Associates of Marion	27,190
	and Citrus Counties, Chartered	
7.	Oncology Health Services, P.A.	5,000
8.	Oncology Service Holdings, Inc.	6,000
9.	North Florida Oncology, P.A.	9,400
10.	Leonard M. Toonkel, M.D. & Associates, P.A.	6,930
11.	Lewin & Abitbol, M.D., P.A.	21,542
12.	Florida Oncology Network, P.A.	9,240
13.	Radiation Therapy Consultants, P.A.	8,230
	Total	229,482

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EXHIBIT 5.11

TAX MATTERS - QO

EXHIBIT 5.14

CERTAIN INTERESTS - QO

SHAREHOLDERS' AGREEMENT

THIS SHAREHOLDERS' AGREEMENT (the "Agreement") is made as of this 28th day of February, 1997, by and among Quality Oncology, Inc., a Florida corporation ("Quality"), and those certain persons who are referenced and have executed that certain Shareholders' Signature Page attached hereto and incorporated herein as Exhibit A (collectively, the "Shareholders" or individually, a "Shareholder").

Preliminary Statements

- A. Quality was organized on December 20, 1996 for certain purposes, including without limitation, to: (1) organize and own all of the capital stock of certain subsidiary corporations (the "Subsidiaries") which acquired and currently own the assets formerly owned by professional associations controlled by one or more of the Shareholders (the "Professional Associations") by a forward triangular merger of a Professional Association with and into a Subsidiary; (2) create, develop and implement a multi-state, fully-integrated system of comprehensive cancer care and treatment, including, without limitation, the creation, development and implementation of clinical treatment guidelines and an automated support system; (3) centralize some of the administrative services and functions formerly performed by each of the Professional Associations, including, without limitation, centralized billing and administrative functions for third party payor contracts; and (4) enter into financial arrangements as Quality may determine from time to time to be necessary, appropriate or advisable.
- B. The Shareholders and Quality believe that it is in their best interest to make provisions for the ownership and future dispositions of all shares of capital stock of Quality (or any successor or assign thereto) now or hereafter legally or beneficially owned by a Shareholder (collectively, the "Shares"), and for certain other matters as set forth herein.

Agreement

NOW, THEREFORE, in consideration of these premises, the mutual covenants herein contained, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RESTRICTIONS ON STOCK TRANSFERS; GROUP SALE AND TAG ALONG RIGHTS.

- 1.1. Transfers During the Transfer Restriction Period.
- (a) General Restriction. During the Transfer Restriction Period (as defined in this Section 1.1), no Shareholder shall sell, assign, transfer, devise, encumber, pledge, give, bequeath, hypothecate or otherwise dispose of ("Transfer") any or all of the Shares owned by a Shareholder, or suffer the same to be subject, directly or indirectly, to Transfer by operation of law or agreement, except as otherwise provided herein without the prior written consent of the Board of Directors of Quality, which consent may be given or withheld in the Board of Directors' sole and absolute discretion. Any purported Transfer in any other manner shall be void and shall not be recognized or given effect by Quality. The restrictions set forth in this Section 1.1(a) shall apply to all Transfers of Shares, including Transfers between Shareholders. The Transfer Restriction Period means the period

commencing on the date hereof and terminating on the date of the completion of the Offering (as defined in Section 2.1(a) hereof) in which Quality obtains the Minimum Offering Proceeds (as defined in Section 2.1(a) hereof).

- (b) <u>Permitted Transfers</u>. Notwithstanding the provisions of Section 1.1(a) of this Agreement, a Shareholder may Transfer (a "Permitted Transfer") all or any of his Shares to any member of his family or to any trust for the benefit of himself or any member of his family, provided that any such transferee shall agree in writing, as a condition to such Transfer, to be bound by all of the provisions of this Agreement to the same extent as if such transferee were such Shareholder. Notwithstanding the foregoing, the Shareholder acknowledges and agrees that such Permitted Transfer is allowed hereunder to facilitate such Shareholder's estate planning or asset protection planning and the terms and conditions of this Agreement shall still apply to the original Shareholder as if such Shareholder still held the Shares.
- (c) Transfers upon Death of a Shareholder. Notwithstanding the provisions of Section 1.1(a) of this Agreement, any Shareholder who dies during the Transfer Restriction Period may transfer his Shares by operation of law to his personal representative or successor personal representative (collectively, the "Personal Representative"). However, such Personal Representative may not transfer the Shares during the Transfer Restriction Period, notwithstanding any devises or bequests under the last will and testament of such deceased Shareholder, any elective share exercised by the surviving spouse of such deceased Shareholder or any other reason. As a condition of such Transfer, the Personal Representative must agree in writing to be bound by all the terms, conditions and restrictions of this Agreement which are applicable to such deceased Shareholder. Whenever a Shareholder is obligated to sell his Shares under Section 1.3 hereof, the Personal Representative of such Shareholder shall be obligated to sell to the person and upon the same terms and conditions as provided hereunder for the deceased Shareholder.
- 1.2. Transfers After the Transfer Restriction Period. After the expiration of the Transfer Restriction Period, a Shareholder may Transfer all or any portion of his Shares if the following conditions are satisfied or waived in writing by the Board of Directors of Quality:
- (a) The Shareholder provides Quality with the name of the proposed transferee and such other information as requested by Quality with respect to the proposed Transfer;
- (b) The Shareholder surrenders his Shares and all related transfer documentation reasonably acceptable to Quality;
- (c) The proposed transferee provides Quality with a written consent and acknowledgement agreeing to be bound by all of the terms and conditions contained in this Agreement;
- (d) The Shareholder delivers to Quality a legal opinion of counsel acceptable to counsel for Quality that such Transfer does not require the registration of such Shares in accordance with the Securities Act of 1933, as amended, and applicable state securities laws; and
 - (e) The Shareholder pays to Quality a transfer fee of \$1,000 per transfer.

The Transfer of Shares will only be effective at such time as Quality acknowledges such Transfer and records the name of the proposed transferee of such Shares in its Common Stock Transfer Ledger. The

terms of this Section 1.2 shall not apply to any Shares after the expiration of Transfer Restriction Period if such Shares have been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and with applicable state regulatory authorities under state securities laws and can be freely sold in accordance with federal and state securities laws.

1.3. Group Sale. If all Shareholders hereto receive an offer or series of offers to sell all (and not less than all) of the Shares then owned by the Shareholders to any person or group of persons as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Purchaser"), pursuant to an irrevocable and unconditional, bona fide, arms'-length written offer for cash or other consideration, including without limitation the capital stock of the Purchaser (a "Purchaser Offer"), and such Purchaser Offer is approved by two-thirds (2/3) of the members of the Board of Directors of Quality, then each Shareholder shall sell all (and not less than all) of their Shares to the Purchaser, free and clear of all liens, claims and encumbrances, pursuant to the terms of the Purchaser Offer and shall take all such other action as may be necessary to consummate the Purchaser Offer as requested in writing by Quality. The Purchaser Offer shall provide that each Shareholder shall receive an equal amount and form of consideration as determined on a per share basis. Such consideration must also be payable on the same terms and be subject to the same conditions with respect to each Shareholder.

1.4. Tag Along Rights.

- (a) Right to Participate. If at any time one or more Shareholders (collectively for purposes of this Section 1.4, the "Selling Shareholder") desire and obtain an offer to sell Shares constituting a majority of the issued and outstanding shares of common stock of Quality to any person or group of persons as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Purchaser"), other than to Quality, pursuant to a transaction or series of related transactions (a "Purchaser Offer"), then the other Shareholders shall have the right to sell to the Purchaser, as a condition of such sale by the Selling Shareholder, at the same price per share and on the same terms and conditions, the same percentage of Shares owned by the other Shareholders as the Shares to be sold by the Selling Shareholder to the Purchaser represents with respect to the Shares owned by the Selling Shareholder immediately prior to the sale of any of such Shares to the Purchaser. The Selling Shareholder shall promptly notify Quality and the other Shareholders in writing of the Purchaser Offer.
- (b) Method of Exercise. If other Shareholders desire to participate in any sale under this Section 1.4, then such persons shall notify the Selling Shareholder in writing of such intention as soon as practicable after receipt by the other Shareholders of the Purchaser Offer, and in any event within twenty (20) days after the date the Purchaser Offer was delivered to all of the other Shareholders.
- (c) Participation in Sale. The Selling Shareholder and the other Shareholders electing to sell their Shares shall sell to the Purchaser all of the Shares proposed to be sold by them at a price per share and upon such other terms and conditions as contained in the Purchaser Offer provided to the Selling Shareholder. The closing of the purchase by the Purchaser of the Shares shall be held at 10:00 a.m. at Quality's then principal office on the 90th day after the Purchaser Offer is given to Quality (the "Closing Date"), provided that if the day fixed hereby for such closing is not a business day, then such closing shall be held on the next succeeding business day. At any such closing, the Selling Shareholder and the other Shareholders electing to sell their Shares shall deliver to the Purchaser, free and clear of all liens, claims, charges and encumbrances, a certificate(s) representing such

Shares in proper form for transfer and with evidence of payment of all applicable transfer taxes by the Selling Shareholder. The Purchaser shall simultaneously therewith make payment for such Shares in accordance with the terms and conditions of the Purchaser Offer.

- (d) <u>Continuation of this Agreement</u>. Any Shares sold by a Shareholder pursuant to this Section 1.4 shall continue to be subject to the terms, conditions and restrictions impose by this Agreement.
- 1.5. Failure to Deliver Stock. If a Shareholder becomes obligated to sell his Shares hereunder and fails to deliver such Shares in accordance with this Agreement, the purchaser(s) of such Shares may, in addition to all other remedies he or they may have, send to that Shareholder by registered mail, return receipt requested, the purchase price for such Shares as provided for hereunder. Thereupon, Quality, upon written notice to that Shareholder, shall (A) cancel on its books the certificate(s) representing the Shares to be sold and (B) issue, in lieu thereof, a new certificate(s) representing such Shares in the name of the purchaser(s). Upon receipt of such written notice, all of that Shareholder's rights in and to such Shares shall terminate. The effecting of such sale in such manner shall not relieve that Shareholder of any of his obligations hereunder, including any obligation to execute and deliver any documents which the purchaser(s) would otherwise have been entitled to receive.
- 1.6. Legend. Each stock certificate representing Shares which are subject to this Agreement shall bear the following legend:

"This certificate and the shares of stock represented by it are held subject to the terms and restrictions of that certain Shareholders' Agreement, dated as of February 28, 1997, by and among Quality Oncology, Inc., a Florida corporation (the "Corporation"), and those persons executing Exhibit A attached thereto as Shareholders, including any and all subsequent amendments and supplements thereto (the "Agreement"). A copy of the Agreement and any and all amendments and supplements is on file in the office of the secretary of the Corporation."

SECTION 2. RESCISSION RIGHT; PUT RIGHT; ADJUSTMENT OF SHARES.

2.1. Rescission Right.

- (a) Triggering Event. If Quality fails to receive at least Ten Million Dollars (\$10,000,000), less any offering expenses or closing costs (including attorneys' and brokers' fees) (the "Minimum Offering Proceeds"), from the offer and sale of capital stock and/or securities of Quality or from the issuance of any other equity or debt by Quality (the "Offering") prior to February 22, 1998 (the "Termination Date"), then any group of Shareholders (as defined in Exhibit B attached hereto and incorporated herein and for purposes of this Section 2.1, collectively, the "Selling Group") shall have the option to sell to Quality, and if such option is exercised as provided herein, Quality shall purchase, all (and not less than all) of the Shares owned by the Selling Group as of the date of this Agreement (for purposes of this Section 2.1, the "Applicable Shares"), free and clear of all liens, claims and encumbrances, in exchange for the Rescission Consideration as defined in Section 2.1(c) hereof.
- (b) Exercise of Rescission Right. In order to exercise this rescission right as provided in Section 2.1(a) hereof, the Selling Group shall deliver to Quality within thirty (30) days after the Termination Date, the following: (f) the Notice of Rescission, in the form of Exhibit C attached

hereto, completed and executed by each Shareholder of the Selling Group; and (II) certificates representing the Applicable Shares, with the stock powers on the back of each certificate duly endorsed and executed in blank, together with the payment of all applicable transfer taxes thereon.

- (c) Rescission Consideration. As consideration for the sale of the Applicable Shares to Quality by each Shareholder of the Selling Group, Quality shall transfer to the designated representative of the Selling Group (the "Rescission Consideration") all (and not less than all) of the capital stock of the subsidiary of Quality (the "Applicable Subsidiary") which was the surviving entity of a merger with the professional association formerly owned by the Shareholders of the Selling Group (the "Applicable Professional Association"). During the Transfer Restriction Period and for a period of thirty (30) days thereafter, Quality shall not sell, encumber or otherwise transfer the assets (other than abandonment or use in the ordinary course of business) or capital stock of any Applicable Subsidiary or cause any Applicable Subsidiary to issue any debt or equity to any person without the unanimous consent of each Shareholder who formerly owned shares of capital stock of the Applicable Professional Association immediately prior to the merger of the Applicable Professional Association with and into the Applicable Subsidiary.
- (d) Representations and Warranties by Shareholder. In connection with the exercise of the rescission right under Section 2.1(a) hereof, each Shareholder of the Selling Group, jointly and severally, represents and warrants to Quality that (i) such Shareholder is the legal and beneficial owner of his Shares comprising the Applicable Shares, together with all rights related thereto, (ii) the Shareholder has all the necessary capacity and authority to transfer such Shares to Quality free and clear of all claims, liens and encumbrances, and (iii) upon the transfer of such Shares to Quality, Quality will own all rights and privileges to such Shares, free and clear of all claims, liens and encumbrances. Each Shareholder of the Selling Group, jointly and severally, hereby indemnifies, defends and holds harmless Quality for any claims, damages, liabilities or expenses (including attorneys' fees) resulting from any breach of the foregoing representations and warranties.
- (e) Representations and Warranties by Quality. In connection with the transfer of the Rescission Consideration to the Selling Group under Section 2.1(c) hereof, Quality represents and warrants to each Shareholder of the Selling Group that (I) Quality is the legal and beneficial owner of the Rescission Consideration, together with all rights related thereto, (II) Quality has all corporate capacity and authority to transfer the Rescission Consideration to each Shareholder of the Selling Group, free and clear of all claims, liens and encumbrances, and (III) upon the transfer of the Rescission Consideration to the Shareholders of the Selling Group, the Selling Group will own all rights and privileges to such Rescission Consideration, free and clear of all claims, liens and encumbrances. Quality hereby indemnifies, defends and holds harmless each Shareholder of the Selling Group for any claims, damages, liabilities or expenses (including autorneys' fees) resulting from any breach of the foregoing representations and warranties.

2.2. Put Right.

(a) Right to Put Portion of Shares. For the period commencing with the closing of the Offering in which the Minimum Offering Proceeds are obtained by Quality and for a period of one hundred eighty (180) days thereafter (the "Put Period"), any Shareholder (for purposes of this Section 2.2, the "Selling Shareholder"), at his option, may (but is not obligated to) require Quality to purchase Shares equal to a maximum of twenty-five percent (25%) of the Shares owned by the Selling Shareholder on the date of this Agreement at a price per share equal to the purchase price set forth in

the Offering, or if the Offering is for the issuance of debt by Quality, then the per share fair market value as determined by the Board of Directors of Quality (collectively, the "Put Price").

- (b) Put Notice. In order to exercise the put right provided in Section 2.2(a) hereof, the Selling Shareholder shall deliver a duly executed written notice to Quality during the Put Period in the form as attached hereto as Exhibit D (the "Put Notice"). The Put Notice shall described the amount of Shares desired to be sold by the Selling Shareholder to Quality. The Shares to be sold by the Selling Shareholder to Quality pursuant to Section 2.2(a) hereof shall be free and clear of all liens, claims and encumbrances.
- (c) <u>Closing</u>. The closing of the purchase and sale under Section 2.2(a) hereof shall occur on the sixtieth (60th) day after Quality receives a duly executed and timely delivered Put Notice. Quality, at its sole discretion, shall tender the Put Price in cash or marketable securities to the Selling Shareholder as consideration for the Shares being sold.
- 2.3. Insufficient Surplus. If at the time Quality is required to make any payment for any Shares to be purchased by it under this Agreement and its surplus is legally insufficient for that purpose, the entire available surplus of Quality shall be applied to the payment for such Shares, and Quality and the Shareholders shall promptly take all action as may be permitted by law to reduce the par value of Quality's capital stock or revalue its assets so as to increase its surplus (so far as may be possible) to the extent necessary to permit such payment to be made in full.
- Adjustments of Shares. Each Shareholder agrees and acknowledges that he is obligated 2.4. to indemnify Quality with respect to any breach of a representation or warranty made by such Shareholder's Applicable Professional Association to Quality and the Applicable Subsidiary and for certain other matters pursuant to that certain Acquisition Agreement and Plan of Merger by and among Quality, the Applicable Professional Association and the Applicable Subsidiary of even date herewith (the "Merger Agreement"). In lieu of any cash payment in connection with such indemnification, each Shareholder agrees to allow Quality to retire and cancel the number of Shares issued to such Shareholder pursuant to the Merger Agreement with a fair market value (as determined on the date hereof) equal to such indemnification obligation. Quality shall notify such Shareholder in writing of the number of Shares in which it intends to cancel and retire hereunder, and such Shareholder shall execute all necessary documents as Quality may reasonably request to effectuate such transaction. The Applicable Shares required to be tendered by a Shareholder under Section 2.1(a) hereof and the aggregate number of Shares deemed to be owned by the Shareholder on the date of this Agreement for purposes of Section 2.2(a) hereof shall be reduced by the number of Shares canceled and retired under this Section 2.4. Such Shareholder may tender to Quality cash equal to such indemnification obligation in lieu of the cancellation and retirement of such Shares.

SECTION 3. NONCOMPETITION; CONFIDENTIALITY.

3.1. Noncompete.

(a) Period and Geographical Restriction. Except for the benefit of Quality or the Subsidiaries, each Shareholder, during the period in which he owns any Shares and for a period of two (2) years immediately thereafter (the "Non-Compete Period"), agrees not to:

(I) solicit (or cause or assist any person to solicit) any patient (a "Patient") who is currently being treated or who has been treated during the Non-Compete Period by any physician or allied health professional rendering services, directly or indirectly, for the benefit of Quality or the Subsidiaries pursuant to a Management Agreement in the form attached hereto as Exhibit E, as such Management Agreement may be amended from time to time (the "Management Agreement"), to receive any medical services which are the same or similar to those medical services then being performed for the benefit of Quality or the Subsidiaries (the "Medical Services");

(II) cause or solicit (or cause or assist any person to cause or solicit) any employee, former employee (as defined below) physician or group of physicians, nurse, hospital, health maintenance organization, preferred provider organization, professional association, other managed health care provider, supplier, vendor, affiliate, agent or other third party to: (x) terminate such person's employment or other contractual relationship with Quality, the Subsidiaries or any of their affiliates; or (y) enter into such employment or other contractual relationship with such person;

(III) engage in any business which is the same or similar to the business of rendering Medical Services in the applicable geographical area for each such Shareholder as set forth in Exhibit B attached hereto (the "Non-Compete Area").

For purposes of this Section 3.1(a), a former employee shall mean any person employed within the prior six (6) months by Quality, any of the Subsidiaries or their affiliates, or any professional association, corporation or other entity that renders Medical Services to Quality or the Subsidiaries pursuant to the terms of a Management Agreement.

- (b) <u>Severability</u>. The foregoing covenant set forth in Section 3.1(a) shall be deemed severable, and the invalidity of any covenant shall not affect the validity or enforceability of any other covenant. The existence of any claim or cause of action by any of the Shareholders or any affiliate thereof shall not constitute a defense to the enforcement by Quality of these covenants. The failure by Quality to object to any conduct in violation of this Agreement shall not be deemed a waiver by Quality, but Quality may, if it so desires, specifically waive any part or any of these covenants to the extent that such waiver is set forth in writing duly authorized and approved by a majority of the members of the Board of Directors of Quality.
- (c) <u>Judicial Modification</u>. In the event that any court finally holds that the time or territory or any other provision stated in this Section 3.1 constitutes an unreasonable restriction, then the parties hereto hereby expressly agree that the provisions of this Agreement shall not be rendered void, but shall apply as to time and territory or to such other extent as such court may judicially determine or indicate constitutes a reasonable restriction under the circumstances involved.
- (d) Specific Enforcement. The parties acknowledge that the restrictions on their activities as contained in this Section 3.1 are required for the reasonable protection of the Business of Quality. Therefore, the parties hereby agree that in the event of a violation of any provision of this Agreement, Quality will be entitled, if it so elects, to institute and prosecute proceedings at law or in equity to obtain damages with respect to such violation or to enforce specific performance of this Section 3.1 against any such Shareholder or his affiliates or to enjoin such party or parties from engaging in any activity in violation hereof, without the necessity of posting any bond or security in excess of \$1,000, which the parties deem a reasonable amount, or having to show any actual damages.

- (e) <u>Tolling of Time Periods</u>. In the event that Quality should bring any legal action or other proceedings for the enforcement of this Section 3.1, the time for calculating the term of the restrictions provided herein shall not include any period of time commencing with the filing of legal action or other proceeding to enforce the terms of this Section 3.1 hereof through the date of final judgment or final resolution, including all appeals, if any, of such legal action or other proceeding, unless Quality fails to prevail in such action or proceeding.
- (f) Confirmation as to Scope. The parties hereto acknowledge and confirm that: (I) the length of the term of the restrictions and the geographical restrictions contained in Section 3.1(a) hereof are fair and reasonable and are not the result of overreaching, duress or coercion of any kind; (II) the full, uninhibited and faithful observance of each of the covenants contained in this Agreement shall not cause any undue hardship, financial or otherwise; and (III) their special knowledge of the Business of Quality is such as would cause Quality serious injury and loss if any Shareholder uses such knowledge to benefit a competitor of Quality or compete with Quality. The parties hereto acknowledge and agree that this Section 3.1 is essential to protect Quality's legitimate business interest as contemplated in Section 542.335, Florida Statutes.
- (g) Assignability: Third Party Beneficiaries. The parties agree that the rights granted in this Section 3.1 to Quality may be assigned by Quality and after such assignment shall continue to be binding upon a Shareholder. In addition, the parties hereto agree that each Shareholder is an intended, direct third party beneficiary of this Section 3.1 and may enforce such rights in its own name if Quality is dissolved or liquidated.
- (h) Termination of Restrictive Covenants. Notwithstanding anything herein to the contrary, the provisions of this Section 3.1 shall terminate for those Shareholders comprising a Selling Group as defined under Section 2.1(a) hereof upon the earlier of: (I) the date on which such Selling Group elects to exercise the rescission right under Section 2.1(b) hereof; or (II) the date of termination of the Management Agreement between Quality and the professional association owned by the Shareholders of such Selling Group under Section 6.2(b)(i) thereof.
- Confidentiality. During the term of this Agreement and for a period of ten (10) years 3.2. thereafter, no Shareholder shall disclose to anyone the terms of this Agreement, or any confidential or secret information concerning (a) the business, affairs or operations of Quality, including, without limitation, the systems, policies, procedures, protocols, and clinical guidelines of the QO Care Management System and related systems and programs, all of which are proprietary to Quality, (b) any trade secrets, new product developments, special or unique processes or methods, (c) any marketing, sales, advertising or other concepts or plans of Quality or any of its affiliates, or (d) business and contractual relationships with specific prospective or existing clients and customers including, without limitation, insurers, health maintenance organizations, preferred provider organizations, and third party payors. The covenants contained in this Section 3.2 shall not apply to any information which (v) was already known to a party at the time of receipt thereof, (x) subsequently becomes known to the general public through no fault or omission on the part of such party, (y) is subsequently disclosed by a third party which has the bona fide right to make such disclosure, or (z) is required to be disclosed by law or governmental agency. Each of the Shareholders hereby acknowledges that in the event that any of them violates the limitations of this Section 3.2, money damages shall be an inadequate remedy, and each of the Shareholders agrees that Quality shall be entitled to obtain, in addition to any other remedy provided by law or equity, an injunction against the violation of obligation hereunder. The parties hereto acknowledge and agree that the confidential or secret information with the restricted disclosure

hereunder constitutes trade secrets of Quality under Section 688.002(4), Florida Statutes. Further, the parties agree that the term of this nondisclosure may be extended beyond the term hereof to the longest period of time permitted under current Federal law by written notice from Quality to such Shareholder.

SECTION 4. DISPUTE RESOLUTION.

4.1. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Florida without regard to its conflicts or choice of law principles.

4.2. Arbitration.

- (a) <u>Location of Arbitration</u>. Any dispute, controversy or question of interpretation arising out of or relating to this Agreement or any amendments hereto shall be settled by arbitration in Miami, Florida in accordance with the procedures provided herein.
- (b) Initiation of Arbitration. Arbitration may be initiated by a party by serving written demand upon the other party or parties. The demand shall specify the issue(s) in dispute and the name of the person designated to act as arbitrator on behalf of the party initiating arbitration. The party or parties receiving the demand shall answer within twenty (20) days of the date demand is made by stating any additional issue(s) in dispute and the name of the person designated to act as arbitrator on behalf of such party or parties. Failure to answer will result in a denial of the issues in the demand, in a waiver of the right to raise additional issues relating to the issues set forth in the demand at any future date, and in a waiver of the selection of the second arbitrator. If the failure to answer results in the selection of only one arbitrator, that arbitrator, acting alone, shall hear the issue(s) presented for arbitration and render a written decision within twenty (20) days thereof in accordance with all other applicable provisions of this Section 4.2.
- (20) days after the second arbitrator is chosen and shall decide the dispute, controversy or question of interpretation. If he or they are not able to resolve the dispute, controversy or question of interpretation within the twenty-day period, the selected arbitrators shall select a third arbitrator and, if they cannot agree on the third arbitrator within twenty (20) days, the third arbitrator shall be appointed upon their application to the American Arbitration Association ("AAA"), or upon the application of either party to the AAA, by the AAA in Miami, Florida.
- (d) <u>Scope of Power.</u> The arbitrator or arbitrators shall have the broadest powers permitted by law or equity, including the power to grant injunctive relief, order specific performance, and grant other equitable remedies which the arbitrator or arbitrators deem appropriate. The arbitrator or arbitrators shall conduct conferences and hearings, as appropriate, hear arguments of the parties, and take the testimony of witnesses.
- (e) <u>Binding Decision</u>. The arbitrator or arbitrators shall meet and decide the dispute, controversy or question of interpretation by written decision stating the reasons in support thereof, and shall render an award within sixty (60) days of the demand for arbitration or within twenty (20) days of the appointment of the third arbitrator, whichever is later. A decision in which two of the three arbitrators concur shall be binding and conclusive upon the parties, subject to being

vacated, modification or correction as permitted by the Florida Arbitration Code. If two of the arbitrators shall be unable to concur, the parties shall appoint new arbitrators and a new arbitration shall be conducted. In appointing new arbitrators and in deciding the dispute, the arbitrators shall act in accordance with the rules of the AAA then in force, subject however, to such limitations as may be placed upon them by the provisions of this Agreement, except that each party may appoint as its arbitrator its own attorney, accountant, employee or officer.

- (f) Enforcement of Decision. Any determination rendered in accordance with the provisions of this Section 4.2 shall be controlling and decisive of any dispute, controversy or question of interpretation thereafter arising under this Agreement, and judgment upon, or confirmation of, the determination may be entered in any court of record of competent jurisdiction or application may be made in such court for judicial acceptance of the award and an order of enforcement as the law of such jurisdiction may require or allow. The parties waive all rights of appeal of any order confirming, modifying or correcting a determination or award by the arbitrator or arbitrators or any order, judgment, or decree provided under Section 682.20 of the Florida Arbitration Code. The determination of the arbitrator or arbitrators shall be kept confidential by the parties, unless disclosure is required for purposes of enforcement or required by law.
- (g) <u>Prevailing Party Fees</u>. The prevailing party shall be entitled to recover reasonable attorneys' fees and costs, including such fees and costs resulting from any action to confirm the award or enforce the judgment resulting therefrom.

SECTION 5. TERM; TERMINATION.

- 5.1. Term. This Agreement shall continue in force so long as Quality shall exist, unless sooner terminated as provided hereinafter.
- 5.2. Termination. This Agreement shall terminate and all rights and obligations hereunder shall cease upon the happening of any of the following events:
 - (a) The written mutual agreement of all the parties hereto;
- (b) The sale of at least sixty-six and two thirds percent (66 2/3%) of the assets of Quality to a person or group of persons as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, in a transaction or series of related transactions;
 - (c) The liquidation or dissolution of Quality; or
- (d) Any one Shareholder becomes the owner of at least seventy-five percent (75%) of all of the issued and outstanding shares of capital stock of Quality.

SECTION 6. DEALINGS IN GOOD FAITH; BEST EFFORTS.

Each party hereto agrees to act in good faith with respect to the other party or parties in exercising its rights and discharging its obligations under this Agreement. Each party further agrees to use its best efforts to ensure that the purposes of this Agreement are realized and to take all steps as are reasonable in order to implement the operational provisions of this Agreement. Each party agrees

to execute, deliver and file any document or instrument necessary or advisable to realize the purposes of this Agreement.

SECTION 7. MISCELLANEOUS.

- 7.1. Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including telex, telefax and telegraphic communication) and shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to the party thereby being notified at the address set forth below such party's signature to this Agreement or to such other address as that party may designate by notice complying with the terms of this Section 7.1. Each such notice shall be deemed delivered: (a) on the date delivered if by personal delivery; (b) on the date telecommunicated if by telegraph; (c) on the date of transmission with confirmed answer back if by telex, telefax or other telegraphic method; and (d) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.
- 7.2. Entire Agreement and Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and neither this Agreement nor any provision hereof may be waived, modified, amended or terminated except by a written agreement signed by the parties hereto.
- 7.3. Waivers. No waiver of any breach or default hereunder shall be considered valid unless in writing, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.
- 7.4. Severability. If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall attach only to such provision and shall not in any manner affect or render illegal, invalid or unenforceable any other provision of this Agreement, and this Agreement shall be carried out as if any such illegal, invalid or unenforceable provision were not contained herein.
- 7.5. Specific Performance. The Shares cannot be readily purchased or sold in the open market. Furthermore, the parties hereto agree and acknowledge that it is in their best interest to restrict the ownership of the Shares as provided herein to facilitate the continuity of the existing management of Quality and to encourage the active involvement of the current Shareholders in the management of Quality. For those reasons, among others, the parties will be irreparably damaged (and damages at law would be an inadequate remedy) if this Agreement is not specifically enforced. Therefore, in the event of a breach or threatened breach by any party of any provision of this Agreement, then the other parties hereto shall be entitled, in addition to all other rights or remedies, to injunctions restraining such breach, without being required to show any actual damage or to post any bond or other security, and/or to a decree for specific performance of the provisions of this Agreement.
- 7.6. Captions. The captions of this Agreement are for convenience only and are not deemed to be part of this Agreement.

- 7.7. Enforcement Costs. If any legal action or other proceedings is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs and all expenses (including, without limitation, all such fees, costs and expenses incident to appellate, bankruptcy, post-judgment and alternative dispute resolution proceedings), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, expert witness fees, administrative costs, and all other charges billed by the attorney to the prevailing party or parties.
- 7.8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Confirmation of execution by telex or telecopy or telefax of a facsimile signature page shall be binding upon that party so confirming.
- 7.9. Benefits; Binding Effect. This Agreement shall be for the benefit of, and shall be binding upon, the Shareholders hereto and their respective heirs, personal representatives, executors, legal representatives, successors and assigns.
- 7.10. Interpretation. The parties hereto acknowledge that each party has participated in the negotiation and drafting of this Agreement, and in the event of any ambiguity or mistake herein, this Agreement shall not be construed unfavorably toward a party or parties on the ground that such party or parties or their legal counsel was the draftsman thereof.

SECTION 8. INDEPENDENT COUNSEL; CONFLICT OF INTEREST OF COUNSEL.

The parties to this Agreement recognize that the law firm of Zack, Sparber, Kosnitzky, Spratt & Brooks, P.A. (the "Firm"), the drafters of this Agreement, has rendered advice and counsel in the past to Quality and to some of the Shareholders and their Professional Associations. The Shareholders, for their own behalf and for the behalf of each Professional Association, and Quality each hereby acknowledge that the Firm is representing Quality with respect to this Agreement and the transactions contemplated herein and EACH SHAREHOLDER HAS BEEN ADVISED TO RETAIN INDEPENDENT COUNSEL to advise him regarding this Agreement. The Shareholders, for their own behalf and for the behalf of each Professional Association, and Quality each hereby release and relinquish any claim against the Firm or any of its members from any conflict of interest arising or purportedly arising from this Agreement or the transactions contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

ATTEST:	CORPORATION: Quality Oncology, Inc.
By:	By: Its: Chief Executive Officer
	Address: 1200 South Pine Island Drive, Suite 17 Plantation, Florida 33324

j \chents\quality\sharehld 006

EXHIBIT A

Shareholder Signature Page

James G. Schwade, M.D.	Phillip C. Smith, M.D.
Address:	Address:
Tim R. Williams, M.D.	J. Clinton Shope, M.D.
Address:	Address:
Michael E. Kasper, M.D.	Terry S. Bloom, M.D. Address:
Bruce D. Greene, M.D. Address:	Tod Speer, M.D. Address:
Norman H. Anderson, M.D.	Roberto Putzeys, M.D.
Address:	Address:

G. Steven Bucy, M.D.	Timothy A. Brant, M.D.
Address:	Address:
Ted E. Yaeger, M.D.	Ann Spangler, M.D.
Address:	Address:

EXHIBIT B

Definition of Selling Group and Noncompete Area

1. James G. Schwade, M.D.

Noncompete Area: Fifteen (15) mile radius from any office or offices where medical services are rendered by any member of the Selling Group.

Phillip C. Smith, M.D.
 Tim R. Williams, M.D.
 J. Clinton Shope, M.D.
 Michael E. Kasper, M.D.

Noncompete Area: Fifteen (15) mile radius from any office or offices where medical services are rendered by any member of the Selling Group.

3. Terry S. Bloom, M.D. Ted E. Yaeger, M.D. Ann Spangler, M.D.

Noncompete Area: Fifteen (15) mile radius from any office or offices where medical services are rendered by any member of the Selling Group.

4. Bruce D. Greene, M.D. Tod Speer, M.D.

Noncompete Area: Fifteen (15) mile radius from any office or offices where medical services are rendered by any member of the Selling Group.

EXHIBIT C

Notice of Rescission

Quality Oncology, Inc.

TO:

FROM:		
DATE:		
RE:	Notice of Rescission Pursuant	t to Shareholders' Agreement
to exercise Sharehold of its share As	e the rescission right granted the Seers' Agreement dated February 28, 19 eholders (the "Agreement").	members of the applicable Selling Group, hereby elect elling Group pursuant to Section 2.1 of that certain 197 by and between Quality Oncology, Inc. and certain ched are certificates representing the Applicable Shares,
with the	payment of all applicable transfer dges the representations, warranties a	tificate duly endorsed and executed in blank, together taxes thereon. Each of the undersigned further and other statements made in the Agreement as of the
C:	apitalized terms not defined herein sl	hall be as set forth in the Agreement.
Name:		Name:
Address:_		Address:
Name:		Name:
Address:_		Address:

EXHIBIT D

Put Notice

TO:	Quality Oncology, Inc.		
FROM:			
DATE:			
RE:	Put Notice Pursuant to Shareholders' Agreement		
the Compa the Shares o price set for February 2	ny acquire the amount of Shar owned by the undersigned on t orth in the Agreement pursuant 7, 1997 by and between the C e undersigned further acknown e Agreement as of the date here	ruality Oncology, Inc. (the "Company") hereby elects to have sees of the undersigned set forth below (not to exceed 25% of the date of the Agreement, as defined herein) at the purchase to Section 2.2 of that certain Shareholders' Agreement dated ompany and certain of its shareholders (the "Agreement"). ledges the representations, warranties and other statements and. Capitalized terms not defined herein shall be as set forth	
Name:			
Number of	f Shares to be Sold:		

EXHIBIT E Management Services Agreement