

P98000027151

236 East 6th Avenue . Tallahassee, Florida 32303

P.O. Box 37066 (32315-7066) ~ (850) 222-2666 or (800) 969-1666 . Fax (850) 222-1666

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~~Patent~~ Merger

OSI Medical, Inc. (into)
1.) Polphin Medical, Inc.
(CORPORATE NAME & DOCUMENT #)

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2.) (CORPORATE NAME & DOCUMENT #)

3.) (CORPORATE NAME & DOCUMENT #)

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5.) (CORPORATE NAME & DOCUMENT #)

SPECIAL INSTRUCTIONS

C. Coullotte MAR 14 2002

ARTICLES OF MERGER
Merger Sheet

MERGING:

OSI MEDICAL, INC., a Florida corporation, P98000027151

INTO

DOLPHIN MEDICAL, INC., a California entity not qualified in Florida.

File date: March 14, 2002

Corporate Specialist: Cheryl Coulliette



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

March 11, 2002

CORPORATE ACCESS, INC.

TALLAHASSEE, FL

SUBJECT: OSI MEDICAL, INC.
Ref. Number: P98000027151

Corroalee
3/14/02
[Signature]

We have received your document for OSI MEDICAL, INC. and check(s) totaling \$70.00. However, the enclosed document has not been filed and is being returned to you for the following reason(s):

The articles of merger must contain the provisions of the plan of merger or the plan of merger must be attached.

Is there suppose to be an effective date on page 1 paragraph 8? If there is, please complete that sentence with a date.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6903.

Cheryl Coulliette
Document Specialist

Letter Number: 902A00014601

DEPARTMENT OF STATE
DIVISION OF CORPORATIONS
TALLAHASSEE, FLORIDA

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**ARTICLES OF MERGER
BETWEEN DOLPHIN MEDICAL, INC.
AND OSI MEDICAL, INC.**

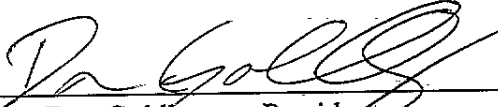
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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

THESE ARTICLES OF MERGER are entered into between Dolphin Medical, Inc., a California corporation (herein "Surviving Corporation"), and OSI Medical, Inc., a Florida corporation (herein "Merging Corporation").

1. Surviving Corporation shall be merged into Merging Corporation.
2. The name of Surviving Corporation shall be Dolphin Medical, Inc.
3. On the effective date of the merger, each outstanding share of Merging Corporation shall be cancelled and 3.77038 shares of Surviving Corporation shall be issued in exchange therefor. In addition, (i) on the effective date of the merger, 0.793764 shares of the Surviving Corporation shall be issued in exchange for each outstanding share of the Merging Corporation owned by OSI Systems, Inc., and (ii) on the twenty sixth month anniversary of the effective date of the merger, in the event that the Surviving Corporation's sales of the dd3000 product for the period commencing on July 1, 2002 and ending on December 31, 2003 ("dd3000 Sales") exceed \$2,000,000, such number of shares of the Surviving Corporation shall be issued in exchange for each outstanding share of the Merging Corporation owned by the shareholders of the Merging Corporation other than OSI Systems, Inc., that is equal to the sum of (a) 0.31751 plus (b) 0.01588 for each full hundred thousand dollars by which the dd3000 Sales exceed \$2,000,000, provided that such number of shares shall not exceed, in any event, 0.793764.
4. On the effective date of the merger, each outstanding and unexercised option to acquire capital stock of the Merging Corporation shall be cancelled and no consideration shall be payable therefor.
5. The outstanding shares of Surviving Corporation shall remain outstanding and are not affected by the merger.
6. Merging Corporation shall from time to time, as and when requested by Surviving Corporation, execute and deliver all such documents and instruments and take all such action necessary or desirable to evidence or carry out this merger.
7. The shareholders of Surviving Corporation and Merging Corporation adopted and approved these Articles on February 28, 2002.
8. The effect of the merger and the effective date of the merger are as prescribed by law. The merger will be effective on _____, 2002.

IN WITNESS WHEREOF, the parties have executed these Articles as of February 28, 2002.


DOLPHIN MEDICAL, INC.

By: 
Dan Goldberger, President

By: 
Anuj Wadhawan, Secretary

OSI MEDICAL, INC.

By: _____
John E. Scharf, President

By: 
Ajay Mehra, Secretary

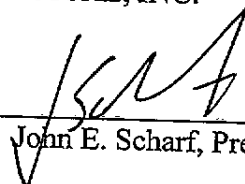
IN WITNESS WHEREOF, the parties have executed these Articles as of February 28, 2002.

DOLPHIN MEDICAL, INC.

By: _____
Dan Goldberger, President

By: _____
Anuj Wadhawan, Secretary

OSI MEDICAL, INC.

By:  _____
John E. Scharf, President

By: _____
Ajay Mehra, Secretary

PLAN OF MERGER

The following plan of merger, which was adopted and approved by each party to the merger in accordance with Section(s) 607.1107, 617.1103, 608.4381, and/or 620.202, is being submitted in accordance with Section(s) 607.1108, 608.438, and/or 620.201, Florida Statutes.

FIRST: The exact name and jurisdiction of each merging party are as follows:

<u>Name</u>	<u>Jurisdiction</u>
Dolphin Medical, Inc.	California
OSI Medical, Inc.	Florida

SECOND: The exact name and jurisdiction of the surviving party is as follows:

<u>Name</u>	<u>Jurisdiction</u>
Dolphin Medical, Inc.	California

THIRD: The terms and conditions of the merger are as follows:

Upon the filing of (i) the Articles of Merger with the Secretary of State of Florida and (ii) the Agreement of Merger with the Secretary of State of California, OSI Medical, Inc. ("Merging Corporation") shall merge with and into Dolphin Medical, Inc. ("Surviving Corporation").

FOURTH:

A. The manner and basis of converting the interests, shares, obligations or other securities of each party into the interests, shares, obligations or other securities of the survivor, in whole or in part, into cash or other property are as follows:

On the effective date of the merger, each outstanding share of Merging Corporation shall be cancelled and 3.77038 shares of Surviving Corporation shall be issued in exchange therefor. In addition, (i) on the effective date of the merger, 0.793764 shares of the Surviving Corporation shall be issued in exchange for each outstanding share of the Merging Corporation owned by OSI Systems, Inc., and (ii) on the twenty sixth month anniversary of the effective date of the merger, in the event that the Surviving Corporation's sales of the dd3000 product for the period commencing on July 1, 2002 and ending on December 31, 2003 ("dd3000 Sales") exceed \$2,000,000, such number of shares of the Surviving Corporation shall be issued in exchange for each outstanding share of the Merging Corporation owned by the shareholders of the Merging Corporation other than OSI Systems, Inc., that is equal to the sum of (a) 0.31751 plus (b) 0.01588 for each full hundred thousand dollars by which the dd3000 Sales exceed \$2,000,000, provided that such number of shares shall not exceed, in any event, 0.793764.

B. The manner and basis of converting rights to acquire interests, shares, obligations or other securities of each merger party into rights to acquire interests, shares, obligations or other securities of the surviving entity, in whole or in part, into cash or other property are as follows:

On the effective date of the merger, each outstanding and unexercised option to acquire capital stock of the Merging Corporation shall be cancelled and no consideration shall be payable therefor.

FIFTH: If a partnership or limited partnership is the surviving entity, the name(s) and address(es) of the general partner(s) are as follows:

Name(s) and Address(es) of General Partner(s)	If General Partner is a Non-Individual, Florida Document/Registration Number
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Not applicable.

SIXTH: If a limited liability company is the surviving entity and it is to be managed by one or more managers, the name(s) and address(es) of the manager(s) are as follows:

Not applicable.

SEVENTH: All statements that are required by the laws of the jurisdiction(s) under which each Non-Florida business entity that is a party to the merger is formed, organized, or incorporated are as follows:

Not applicable.

EIGHTH: Other provisions, if any, relating to the merger:

Not applicable.