

P99000090597

Advanced Diagnostics International of Florida, Inc.
5860 Midnight Pass Road, Suite 26
Sarasota, FL 34242

Wednesday, October 18, 2000

SECRETARY OF STATE
CERTIFICATION DEPARTMENT
409 EAST GAINES STREET
TALLAHASSEE, FL 32399

Dear Madam or Sir:

Enclosed please find the Articles of Share Exchange for **Advanced Diagnostics International of Florida, Inc.** Further, please find enclosed a check in the amount of \$122.50 for the following fees:

Filing Fee – Surviving Corporation	\$35.00
Filing Fee – Merging Corporation	35.00
Certified Copy of Articles of Share Exchange	<u>52.50</u>
Total Enclosed	<u>\$122.50</u>

Please send all information and documentation to the prescribed address for this corporation the following address:

Janet R. Lange
Advanced Diagnostics International of Florida, Inc.
5860 Midnight Pass Road, Suite 26
Sarasota, FL 34242

800003504688--3

-12/19/00--01010--015
****122.50 *****78.75

Sincerely,

Janet R. Lange
Janet R. Lange

Mr. Lange authorized to
Correct name and Heading
of Articles of Merger

Merger
K.F.

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
01 FEB -5 AM 11:07

ARTICLES OF MERGER
Merger Sheet

MERGING:

ADVANCED DIAGNOSTICS INTERNATIONAL, INC., a Washington corporation
(not qualified to transact business in Florida)

INTO

ADVANCE DIAGNOSTICS INTERNATIONAL, INC., a Florida entity,
P99000090597

File date: February 5, 2001

Corporate Specialist: Louise Flemming-Jackson



FLORIDA DEPARTMENT OF STATE
Katherine Harris
Secretary of State

January 3, 2001

JANET R. LANGE
ADVANCED DIAGNOSTICS INT'L OF FL., INC.
5860 MIDNIGHT PASS RD., STE. 26
SARASOTA, FL 34242

SUBJECT: ADVANCE DIAGNOSTICS INTERNATIONAL, INC.
Ref. Number: P99000090597

We have received your document for ADVANCE DIAGNOSTICS INTERNATIONAL, INC. and your check(s) totaling \$122.50. However, the enclosed document has not been filed and is being returned for the following correction(s):

Our records indicate the current name of the entity is as it appears on the enclosed computer printout. Please correct the name throughout the document.

The merger submitted was prepared in compliance with section 607.1109 Florida Statutes which provides for mergers between domestic corporations and other business entities as defined in section 607.1108, Florida Statutes. Pursuant to section 607.1108(7), Florida Statutes, any merger consisting solely of the merger of one or more domestic corporations with or into one or more foreign corporations shall be consummated solely in accordance with section 607.1107, Florida Statutes. Section 607.1107, Florida Statutes then refers you to section 607.1105, Florida Statutes. Enclosed is a merger form for your convenience.

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) 487-6909.

Velma Shepard
Corporate Specialist

Letter Number: 001A00000322

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS

ARTICLES OF MERGER

01 FEB -5 AM 11:07

The following articles of merger are submitted in accordance with the Florida Business Corporation Act, pursuant to section 607.1105, F.S.

First: The name and jurisdiction of the surviving corporation:

Name

Jurisdiction

Advance i Diagnostics International
Inc.

Florida

Second: The name and jurisdiction of each merging corporation:

Name

Jurisdiction

Advanced Diagnostics International, Inc.

Washington

Third: The Plan of Merger is attached.

Fourth: The merger shall become effective on the date the Articles of Merger are filed with the Florida Department of State.

Fifth: Adoption of Merger by surviving corporation -

The Plan of Merger was adopted by the shareholders of the surviving corporation on October 29, 1999.

Sixth: Adoption of Merger by merging corporation -

The Plan of Merger was adopted by the board of directors of the merging corporation on January 24, 2000 and shareholder approval was not required.

Seventh: SIGNATURES FOR EACH CORPORATION

Name of Corporation

Signature

Typed or Printed Name of
Individual & Title

Advance Diagnostics

International, Inc.

Advanced Diagnostics

International, Inc.

Janet R. Lange

President

Willfried Schramm, Ph.D.

President

Janet R. Lange
Willfried Schramm

AGREEMENT AND PLAN OF MERGER

Agreement entered into as of the 11 day of ~~August~~ 2000 by and between Advance Diagnostics International, Inc., a Florida corporation (the "Buyer"), and Advanced Diagnostics International, Inc., a Washington corporation ("The Target"). The Buyer and the Target are referred to collectively herein as the "Parties."

This Agreement contemplates a tax-free merger of the Target with and into the Buyer in a reorganization pursuant to Code §368(a)(1)(A). The Target Stockholders will receive capital stock in the Buyer in exchange for their capital stock in the Target. The Parties expect that the Merger will further certain of their business objectives for the sale of rapid testing devices worldwide.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. Definitions.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"Buyer" has the meaning set forth in the preface above.

"Buyer-owned Share" means any Target Share that the Buyer owns beneficially.

"Buyer Share" means any share of the Common Stock of the Buyer.

"Certificate of Merger" has the meaning set forth in §2(c) below.

"Closing" has the meaning set forth in §2(b) below.

"Closing Date" has the meaning set forth in §2(b) below.

"Confidential Information" means any information concerning the businesses and affairs of the Target and its Subsidiaries that is not already generally available to the public.

"Conversion Ratio" has the meaning set forth in §2(d)(v) below.

"Effective Time" has the meaning set forth in §2(d)(i) below.

"Exchange Agent" has the meaning set forth in §2(e) below.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"IRS" means the Internal Revenue Service.

"Knowledge" means actual knowledge.

"Merger" has the meaning set forth in §2(a) below.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Party" has the meaning set forth in the preface above.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Requisite Buyer Stockholder Approval" means the affirmative vote of the holders of a majority of the Buyer Shares in favor of this Agreement and the Merger.

"Requisite Target Stockholder Approval" means the affirmative vote of the holders of a majority of the Target Shares in favor of this Agreement and the Merger.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, other than (a) mechanic's, materialmen's, and similar liens, (b) liens for taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money.

"Special Buyer Meeting" has the meaning set forth in §5(c)(ii) below.

"Special Target Meeting" has the meaning set forth in §5(c)(ii) below.

"Subsidiary" means any corporation with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

"Surviving Corporation" has the meaning set forth in §2(a) below.

"The Target" has the meaning set forth in the preface above.

"Target Share" means any share of the Common Stock, of The Target.

"Target Stockholder" means any Person who or which holds any Target Shares.

2. Basic Transaction.

(a) The Merger. On and subject to the terms and conditions of this Agreement, The Target will merge with and into the Buyer (the "Merger") at the Effective Time. The Buyer shall be the corporation surviving the Merger (the "Surviving Corporation").

(b) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Buyer in Sarasota, Florida commencing at 9:00 a.m. local time on the first business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself) or such other date as the Parties may mutually determine (the "Closing Date"); provided, however, that the Closing Date shall be no earlier than August 31, 2000.

(c) Actions at the Closing. At the Closing, (i) The Target will deliver to the Buyer the various certificates, instruments, and documents referred to in paragraph 6(a) below, (ii) the Buyer will deliver to The Target the various certificates, instruments, and documents referred to in paragraph 6(b) below, (iii) the Buyer and The Target will file with the Secretary of State of the State of Florida a Certificate of Merger as required under Florida law prepared by the Buyer or its legal counsel (the "Certificate of Merger"), and (iv) the Buyer will deliver to Dr. Willfried Schramm, President of The Target herein, in the manner provided below in this paragraph 2 the certificate evidencing the Buyer Shares issued in the Merger.

(d) Effect of Merger.

(i) General. The Merger shall become effective at the time (the "Effective Time") the Buyer and The Target file the Certificate of Merger with the Secretary of State of the State of Florida. The Merger shall have the effect set forth in the Florida General Corporation Law. The Surviving Corporation may, at any time after the Effective Time, take any action (including executing and delivering any document) in the name and on behalf of either the Buyer or The Target in order to carry out and effectuate the transactions contemplated by this Agreement.

(ii) Certificate of Incorporation. The Articles of Incorporation of the Buyer in effect at and as of the Effective Time will remain the Articles of Incorporation of the Surviving Corporation without any modification or amendment in the Merger.

(iii) Bylaws. The Bylaws of the Buyer in effect at and as of the Effective Time will remain the Bylaws of the Surviving Corporation without any modification or amendment in the Merger.

(iv) Directors and Officers. The directors and officers of the Buyer in office at and as of the Effective Time will remain the directors and officers of the Surviving Corporation (retaining their respective positions and terms of office) and shall add as an officer and director Willfried Schramm Ph.D. from The Target.

(v) Conversion of Target Shares. At and as of the Effective Time, (A) all 2,000 issued and outstanding Target Shares shall be converted into the right to receive 3,743,725 Buyer Shares, No Target Share shall be deemed to be outstanding or to have any rights other than those set forth above in this paragraph 2(d)(v) after the Effective Time.

(vi) Buyer Shares. Each Buyer Share issued and outstanding at and as of the Effective Time will remain issued and outstanding.

(e) Procedure for Payment.

(i) Immediately after the Effective Time, (A) the Buyer will furnish to the Target Shareholders a stock certificate representing that number of Buyer Shares equal to the number of Buyer Shares as set forth in §2(d)(v) above and (B) Dr. Schramm will then mail a letter of transmittal (with instructions for its use) to each record holder of outstanding Target Shares for the holder to use in surrendering the certificates which represented his or its Target Shares in exchange for a certificate representing the number of Buyer Shares to which he or it is entitled.

(ii) The Buyer will not pay any dividend or make any distribution on Buyer Shares (with a record date at or after the Effective Time) to any record holder of outstanding Target Shares until the holder surrenders for exchange his or its certificates which represented Target Shares. The Buyer instead will pay the dividend or make the distribution to its legal counsel, into his trust account for the benefit of the holder pending surrender and exchange. The Buyer may cause its legal counsel to invest any cash its legal counsel receives from the Buyer as a dividend or distribution in one or more of the interest bearing accounts in a FDIC insured institution provided, however, that the terms and conditions of the accounts shall be such as to permit its legal counsel to make prompt payments of cash to the holders of outstanding Target Shares as necessary. The Buyer may cause its legal counsel to pay over to the Buyer any net earnings with respect to the interest bearing accounts.

(iii) The Buyer may cause its legal counsel to return any Buyer Shares and earned interest earned thereon remaining unclaimed 60 days after the Effective Time, and thereafter each remaining record holder of outstanding Target Shares shall be entitled to look to the Buyer (subject to abandoned property, escheat, and other similar laws) as a general creditor thereof with respect to the Buyer Shares and dividends and distributions thereon to which he or it is entitled upon surrender of his or its certificates.

(iv) The Buyer shall pay all charges and expenses of its legal counsel for such trust or escrow services.

(f) Closing of Transfer Records. After the close of business on the Closing Date, transfers of Target Shares outstanding prior to the Effective Time shall not be made on the stock transfer books of the Surviving Corporation.

3. Representations and Warranties of the Target. The Target represents and warrants to the Buyer that the statements contained in this paragraph 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this paragraph 3).

(a) Organization, Qualification, and Corporate Power. The Target is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation. The Target is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required. The Target has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it.

(b) Capitalization. The entire authorized capital stock of The Target consists of 50,000 Target Shares, of which 2,000 Target Shares are issued and outstanding and 48,000 Target Shares are held in treasury. All of the issued and outstanding Target Shares have been duly authorized and are validly issued, fully paid, and nonassessable. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require the Target to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Target.

(c) Authorization of Transaction. The Target has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder; This Agreement constitutes the valid and legally binding obligation of the Target, enforceable in accordance with its terms and conditions.

(d) Noncontravention. To the Knowledge of any director or officer of the Target, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which The Target is subject or any provision of the charter or bylaws of The Target or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which any the Target is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets. To the Knowledge of any director or officer of the Target, and other than in connection with the provisions of the State of Washington's general corporate law, the Securities Exchange Act, the Securities Act, and any state securities laws, the Target does not need to give any notice to, make any filing with, or

obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement.

(e) Filings with the SEC. The Target does not have to make any filings with the SEC prior to the closing of this transaction. It also agrees that any other filings that are made (such as a Regulation D Notice Filing or the like) will not contain any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) Financial Statements. All financial statements or other information supplied by The Target have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, and present fairly the financial condition of the Target as of the indicated dates and the results of operations of the Target for the indicated periods provided, however, that the interim statements are subject to normal year-end adjustments.

(g) Events Subsequent to Most Recent Fiscal Quarter End. Since the Most Recent Fiscal Quarter End, there has not been any material adverse change in the business, financial condition, operations, results of operations, or future prospects.

(h) Undisclosed Liabilities. The Target does not have any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for taxes, except for (i) liabilities set forth on the face of the balance sheet dated as of the Most Recent Fiscal Quarter End (rather than in any notes thereto) and (ii) liabilities which have arisen after the Most Recent Fiscal Quarter End in the Ordinary Course of Business (none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract, breach of warranty, tort, infringement, or violation of law).

(i) Brokers' Fees. The Target does not have any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(j) Continuity of Business Enterprise. The Target operates at least one significant historic business line, or owns at least a significant portion of its historic business assets, in each case within the meaning of Reg. §1.368-1(d).

4. Representations and Warranties of the Buyer. The Buyer represents and warrants to the Target that the statements contained in this paragraph 4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this paragraph 4), except as set forth in the Disclosure Schedule. The Disclosure Schedule will be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this §4.

(a) Organization. The Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

(b) Capitalization. The entire authorized capital stock of the Buyer consists of 50,000,000 Buyer Shares, of which 9,756,275 Buyer Shares are issued and outstanding and 40,243,725 Buyer Shares are held in treasury. All of the Buyer Shares to be issued in the Merger have been duly authorized and, upon consummation of the Merger, will be validly issued, fully paid, and nonassessable.

(c) Authorization of Transaction. The Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms and conditions.

(d) Noncontravention. To the Knowledge of any director or officer of the Buyer, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Buyer is subject or any provision of the charter or bylaws of the Buyer or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets is subject, except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, or failure to give notice would not have a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement. To the Knowledge of any director or officer of the Buyer, and other than in connection with the Florida General Corporate Law, the Securities Exchange Act, the Securities Act, and the state securities laws, the Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement

(e) Brokers' Fees. The Buyer does not have any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which The Target could become liable or obligated.

(f) Continuity of Business Enterprise. It is the present intention of the Buyer to continue at least one significant historic business line of the Target, or to use at least a significant portion of the Target's historic business assets in a business, in each case within the meaning of Reg. §1.368-1(d).

5. Covenants. The Parties agree as follows with respect to the period from and after the execution of this Agreement.

(a) General. Each of the Parties will use its best efforts to take all action and to do all things necessary in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in paragraph 6 below).

(b) Notices and Consents. The Target will give any notices to third parties, and will use its best efforts to obtain any third party consents, that the Buyer may request in connection with the matters referred to in paragraph 3(d) above.

(c) Regulatory Matters and Approvals. Each of the Parties will give any notices to, make any filings with, and use its best efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies in connection with the matters referred to in paragraph 3(d) and paragraph 4(d) above. Without limiting the generality of the foregoing:

(i) State Securities Laws. The Buyer will prepare and file with the SEC any notices necessary. The Buyer will provide the Target, and the Target will provide the Buyer, with whatever information and assistance in connection with the foregoing filings that the filing Party may request. The Buyer will take all actions that may be necessary under state securities laws in connection with the offering and issuance of the Buyer Shares.

(ii) Washington General Corporation Law. The Target will call a special meeting of its stockholders (the "Special Target Meeting") as soon as practicable in order that the stockholders may consider and vote upon the adoption of this Agreement and will provide confirmation in writing of the approval of its shareholders.

(d) Operation of Business. The Target will not engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing:

(i) The Target will not authorize or effect any change in its charter or bylaws;

(ii) The Target will not grant any options, warrants, or other rights to purchase or obtain any of its capital stock or issue, sell, or otherwise dispose of any of its capital stock (except upon the conversion or exercise of options, warrants, and other rights currently outstanding);

(iii) The Target will not declare, set aside, or pay any dividend or distribution with respect to its capital stock (whether in cash or in kind), or redeem, repurchase, or otherwise acquire any of its capital stock, in either case outside the Ordinary Course of Business;

(iv) The Target will not issue any note, bond, or other debt security or create, incur, assume, or guarantee any indebtedness for borrowed money or capitalized lease obligation outside the Ordinary Course of Business;

(v) The Target will not impose any Security Interest upon any of its assets outside the Ordinary Course of Business;

(vi) The Target will not make any capital investment in, make any loan to, or acquire the securities or assets of any other Person outside the Ordinary Course of Business;

(vii) The Target will not make any change in employment terms for any of its directors, officers, and employees outside the Ordinary Course of Business; and

(viii) The Target will not commit to any of the foregoing.

(e) Full Access. The Target will permit representatives of the Buyer to have full access, at all reasonable times, and in a manner so as not to interfere with the normal business operations of The Target to all premises, properties, personnel, books, records (including tax records), contracts, and documents of or pertaining to each of The Target. The Buyer will treat and hold as such any Confidential Information it receives from any of The Target in the course of the reviews contemplated by this paragraph 5(g), will not use any of the Confidential Information except in connection with this Agreement, and, if this Agreement is terminated for any reason whatsoever, agrees to return to the Target all tangible embodiments (and all copies) thereof which are in its possession.

(f) Notice of Developments. Each Party will give prompt written notice to the other of any material adverse development causing a breach of any of its own representations and warranties in paragraph 3 and paragraph 4 above. No disclosure by any Party pursuant to this paragraph 5(h), however, shall be deemed to amend or supplement the Disclosure Schedule or to prevent or cure any misrepresentation, breach of warranty, or breach of covenant.

(g) Exclusivity. The Target will not solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of all or substantially all of the capital stock or assets of the Target (including any acquisition structured as a merger, consolidation, or share exchange); provided, however, that the Target, its directors and officers will remain free to participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing to the extent their fiduciary duties may require. The Target shall notify the Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

(h) Insurance and Indemnification. The Buyer will indemnify each individual who served as a director or officer of The Target at any time prior to the Effective Time from and against any and all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses, and fees, including all court costs and reasonable attorneys' fees and expenses, resulting from, arising out of, relating to, in the nature of, or caused by this Agreement or any of the transactions contemplated herein.

(i) Continuity of Business Enterprise. The Buyer will continue at least one significant historic business line of the Target, or use at least a significant portion of the Target's historic business assets in a business, in each case within the meaning of Reg. §1.368-1(d).

6. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) this Agreement and the Merger shall have received the Requisite Target Stockholder and Board Approval;

(ii) the Target shall have procured all of the third party consents specified in paragraph 5, above;

(iii) the representations and warranties set forth in paragraph 3 above shall be true and correct in all material respects at and as of the Closing Date;

(iv) the Target shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

(v) no action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) affect adversely the right of the Surviving Corporation to own the former assets, to operate the former businesses, or (D) affect adversely the right of any of The Target to own its assets and to operate its businesses (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect, (vi) the Target shall have delivered to the Buyer a certificate to the effect that each of the conditions specified above in paragraph 6(a)(i)-(v) is satisfied in all respects;

(vi) this Agreement and the Merger shall have received the Requisite Buyer Stockholder and Board Approval;

(vii) all actions to be taken by The Target in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be satisfactory in form and substance to the Buyer.

The Buyer may waive any condition specified in this paragraph 6(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of the Target. The obligation of The Target to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the Buyer provides written confirmation of its having raised, collected, and deposited into its bank account in excess of five hundred thousand dollars (\$500,000.00USD), in accordance with the Letter of Intent Dated December 1, 1999, to be spent or spent to carry out the business plan of the surviving corporation which is the Buyer hereunder;

(ii) the representations and warranties set forth in paragraph 4 above shall be true and correct in all material respects at and as of the Closing Date;

(iii) the Buyer shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;

The Target may waive any condition specified in this paragraph 6(b) if it executes a writing so stating at or prior to the Closing.

7. Termination.

(a) Termination of Agreement. Either of the Parties may terminate this Agreement with the prior authorization of its board of directors as provided below:

(i) the Parties may terminate this Agreement by mutual written consent at any time prior to the Effective Time;

(ii) the Buyer may terminate this Agreement by giving written notice to The Target at any time prior to the Effective Time (A) in the event the Target has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Buyer has notified the Target of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before August 31, 2000, by reason of the failure of any condition precedent under paragraph 6 hereof (unless the failure results primarily from the Buyer breaching any representation, warranty, or covenant contained in this Agreement);

(iii) The Target may terminate this Agreement by giving written notice to the Buyer at any time prior to the Effective Time (A) in the event the Buyer has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, The Target has notified the Buyer of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before August 31, 2000 by reason of the failure of any condition precedent under paragraph 6 hereof (unless the failure results primarily from the Target breaching any representation, warranty, or covenant contained in this Agreement);

(b) Effect of Termination. If any Party terminates this Agreement pursuant to paragraph 7(a) above, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach); provided, however, that the confidentiality provisions contained in paragraph 5 above shall survive any such termination.

8. Miscellaneous.

(a) Survival. All of the representations, warranties, and covenants of the Parties in this agreement shall survive closing.

(b) Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its reasonable best efforts to advise the other Party prior to making the disclosure).

(c) No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns..

(d) Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

(e) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party.

(f) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(g) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Target: Copy to: Willfried Schramm, Ph.D.
Advanced Diagnostics Intl., Inc.
23000 NE Schauer Dr.
Battle Ground, WA 98604

If to the Buyer: Copy to: Janet Lange
Advanced Diagnostics International, Inc.
5860 Midnight Pass Road
Suite 26
Sarasota, FL 34242

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Florida.

(j) Amendments and Waivers. The Parties may mutually amend any provision of this Agreement at any time prior to the Effective Time or closing hereunder with the prior authorization of their respective boards of directors; provided, however, that any amendment effected subsequent to stockholder approval will be subject to the restrictions contained in the Florida General Corporation Law. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by both of the Parties. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(k) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(l) Expenses. Each of the Parties will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

(m) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context otherwise requires. The word "including" shall mean including without limitation.

(n) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

BUYER:

Advance Diagnostics International, Inc.,
a Florida Corporation

By: Janet Lang

Title: President

TARGET:

Advanced Diagnostics International, Inc.,
a Washington Corporation

By: Wilfred Behrman

Title: President ADI-WA