

AMERICAN SCIENTIFIC TECHNOLOGIES CORPORATION  
STATEMENT FOR ISSUANCE OF SHARES OF SERIES A  
PREFERRED STOCK  
(Idaho Code Section 30-1-16)

Pursuant to Idaho Code Section 30-1-16, the undersigned Corporation hereby submits the following statement for issuance of shares of Series A preferred stock to the Secretary of State for filing:

1. The name of the corporation is AMERICAN SCIENTIFIC TECHNOLOGIES CORPORATION.

2. (a) A copy of the resolution of the Board of Directors establishing and designating the series, and fixing and determining the relative rights and preferences thereof of the proposed issuance of 100,000 share of Series A preferred stock is attached hereto as Exhibit A and is by this reference incorporated herein.

(b) A copy of the Minutes of the Special Meeting of the Shareholders of the Corporation to approve the resolution referred to immediately above is attached hereto as Exhibit B and is by this reference incorporated herein.

(c) A statement of the designated Series and the relative rights and preferences thereof are as follows:

1. This corporation desires to authorize and issue 100,000 shares of Series A, non-assessable, non-voting, \$1.00 par value preferred stock.

2. All shares of preferred stock shall be sold or offered for sale in a small private offering offered only to the owners and holders of the common stock of this corporation. No offering shall be made which is not exempt from both the laws of the Securities and Exchange Commission and the Blue Sky laws and Corporate Securities laws of the State of Idaho.

3. That all shares of this class (Series A) shall be identical with equal rights and preferences and shall:

a) Have a \$1.00 par value;

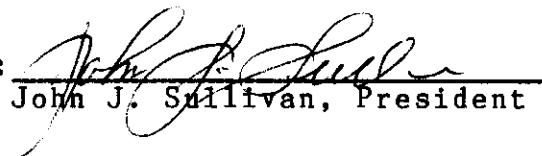
- b) Be redeemable by the corporation at the corporation's option at any time;
- c) Be paid a dividend at the rate of two percent (2%) above the prime to commercial customers of the First Interstate Bank of Nampa, Idaho fixed on the date of May 23, 1985, which rate was ten percent (10%), which dividend shall then be twelve percent (12%) per annum;
- d) That the dividend rate of return shall be guaranteed by the corporation.
- e) That the dividend shall accrue and may be paid quarterly by a declaration of the Directors of this corporation; the dividend shall be due one year from the issuance date of the stock; but in any event, if any dividend is not paid after one year from its due date, then the holder of the preferred shares can at the holder's option, by written notice to the corporation, convert each one share of preferred stock to one share of the common stock of this corporation which transfer shall be effective thirty days after written notice is delivered by the holder to the Secretary of the corporation seeking such transfer.
- f) That the said preferred shares are redeemable by the corporation for the par value plus all accrued dividends to the date of redemption.
- g) That each share of preferred stock shall be offered for sale at its par value.
- h) That the said preferred shares are non-voting and non-assessable.

3. The date of adoption of such resolution (Exhibit A) was May 23, 1985.

4. That such resolution was duly adopted by the Board of Directors of this corporation.

DATED: Dec 31 - 85

SIGNED: AMERICAN SCIENTIFIC TECHNOLOGIES

BY:   
John J. Sullivan, President

BY: Edward K. Goering  
Edward K. Goering, Secretary

STATE OF IDAHO      )  
                        ) SS  
COUNTY OF CANYON )

I, Jessie L. La Fontaine, a notary public, do hereby  
certify that on the this 31st day of December,  
1985, personally appeared before me John J. Sullivan, who,  
being by me first duly sworn, declared that he is the president  
of American Scientific Technologies Corporation, that he signed  
the foregoing document as president of the corporation, and that  
the statements therein contained are true.

Jessie L. La Fontaine  
Notary Public for Idaho

Residing at Nampa

My commission expires: 12-8-86

ORIGINAL  
COUNTERPART

MINUTES OF A SPECIAL MEETING OF THE DIRECTORS OF  
AMERICAN SCIENTIFIC TECHNOLOGIES CORPORATION

May 23, 1985

Time and place of meeting. A special meeting of the Board of Directors of this corporation was held at the offices of the corporation at 2603 Sundance Road, Suite N, Nampa, Idaho, 83651 on the above date at 7:00 o'clock A.M.

Presiding officers. JOHN J. SULLIVAN, President of this corporation presided at the meeting and EDWARD K. GOERING, Secretary of this corporation, acted as Secretary of the meeting.

Attendance and quorum. The following Directors, being all of the Directors of the corporation, were present: WAYNE T. CROW, JOHN J. SULLIVAN, EDWARD K. GOERING, WINSTON K. GOERING, T. KENDALL HARWARD, JOHN WARD, and DAN RULE.

Minutes of prior meeting. The Secretary then presented and read the minutes of the previous meeting of the Board of Directors which when read were approved in their entirety.

Amendment to Articles of Incorporation of American Scientific Technologies Corporation. A motion was duly made, seconded and unanimously carried that this corporation amend its Articles of Incorporation and to present the same to a special meeting of the shareholders for a vote which amendments are hereinafter stated:

1. Be it resolved that Article IV of the Articles of Incorporation be amended to read as follows:

"The principal office or place of business of this corporation shall be at 2603 Sundance Road, Suite N, Nampa, Idaho, 83651, Canyon County, Idaho; that the corporation may maintain an office in such towns, cities, and places outside the State of Idaho as the Board of Directors may from time to time determine, or as may be designated by the bylaws of said corporation."

2. Be it resolved that Article V of the Articles of Incorporation of this corporation be amended to read as follows:

"The amount of the authorized capital stock of this corporation shall be \$1,000,000.00 divided into 500,000 shares of common stock of the par value of \$1.00 per share and,

In addition to the common stock stated immediately above and pursuant to Idaho Code Sections 30-1-15 and 30-1-16 and all other applicable provisions of Title 30 of the Idaho Code and Acts amendatory and supplemental thereto, authority is vested in the Board of Directors of this corporation to establish and issue 500,000 shares of preferred stock of the par value of \$1.00 per share and, which may be divided and issued in one or more series and the said Board of Directors shall have the authority, within the limitations of the said statute(s), to fix and determine the relative rights and preferences of any series so established, to include but not limited to, the following:

- (a) The rate of dividend.
- (b) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption.
- (c) The amount payable upon shares in the event of voluntary and involuntary liquidation.
- (d) Sinking fund provisions, if any, for the redemption or purchase of shares.
- (e) The terms and conditions, if any, on which shares may be converted.
- (f) Voting rights, if any.

The following is a description of each class of stock with the powers, preferences, and rights and the restrictions, qualifications, and limitations thereof:

- (1) No holder of stock of the Corporation shall be entitled as a matter of right, preemptive or otherwise, to subscribe for or purchase any part of any stock now or hereafter authorized to be issued, or shares thereof, held in the treasury of the Corporation or securities convertible into stock, whether issued for cash or other consideration or by way of dividend or otherwise.
- (2) In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Corporation, the holders of the Preferred Stock shall receive preference over the common stock and shall be paid in cash the par value of the preferred stock plus any accrued dividends before any distribution of the assets of the corporation shall be made to the holders of common stock. After such payment shall have been made in full to the holders of the outstanding preferred stock or funds necessary for such payment shall have been set aside in trust for the account of the holders of the outstanding preferred stock so as to be and continue available therefor, the holders

of the outstanding preferred stock shall be entitled to no further participation in such distribution of the assets of the Corporation and the remaining assets of the corporation shall be divided and distributed among the holders of the common stock then outstanding according to their respective shares. If, upon such liquidation, dissolution, or winding up, the assets of the Corporation distributable as aforesaid among the holders of the preferred stock shall be insufficient to permit the payment to them of said amount, the entire assets shall be distributed ratably among the holders of the preferred stock. A consolidation or merger of the Corporation, a sale or transfer of all or substantially all of its assets as an entity, or any purchase or redemption of stock of the Corporation of any class, shall not be regarded as a "liquidation, dissolution, or winding up of the affairs of the Corporation" within the meaning of this paragraph."

3. That except for the designated two Amendments stated immediately above, which shall be substituted in place of the said Article IV and Article V of the original Articles of Incorporation, all other provisions of the original Articles of Incorporation shall remain as they were when originally filed with the Secretary of State.

4. That JEROME C. HOLMAN, Controller of this corporation shall retain RODERICK BARRY WOOD of the Law Firm EISMANN & WOOD, P.A., to complete the applicable procedure and resolutions to amend the Articles of Incorporation together with the Articles of Amendment to effect the approved changes, if approved when voted upon by the shareholders.

Authorization and issuance of 100,000 shares of Series A non-assessable, non-voting, one dollar par value preferred stock of this corporation.

The Board of Directors proceeded to consider, subject to approval by the shareholders of the above proposed amendments to the Articles of Incorporation, whether or not to issue a series of preferred stock. A discussion was held concerning the proposed issuance, upon authorization. A motion was duly made, seconded and unanimously carried, adopting the resolution following:

1. Upon approval by the shareholders of this corporation and the necessary filings completed with the Secretary of State and approval, if any required by the Secretary of State, this corporation desires to authorize and issue 100,000 shares of Series A, non-assessable, non-voting, \$1.00 par value preferred stock.

2. All shares of preferred stock shall be sold or offered for sale in a small private offering offered only to the owners and holders of the common stock of this corporation. No offering

shall be made which is not exempt from both the laws of the Securities and Exchange Commission and the Blue Sky laws and Corporate Securities laws of the State of Idaho.

3. That all shares of this class (Series A) shall be identical with equal rights and preferences and shall:

- a) Have a \$1.00 par value;
- b) Be redeemable by the corporation at the corporation's option at any time;
- c) Be paid a dividend at the rate of two percent (2%) above the prime to commercial customers of the First Interstate Bank of Idaho, N.A., at Nampa, Idaho fixed on the date of May 23, 1985, which rate was ten percent (10%), which dividend shall then be twelve percent (12%) per annum;
- d) That the dividend rate of return shall be guaranteed by the corporation.
- e) That the dividend shall accrue and may be paid quarterly by a declaration of the Directors of this corporation; the dividend shall be due one year from the issuance date of the stock; but in any event, if any dividend is not paid after one year from its due date, then the holder of the preferred shares can at the holder's option, by written notice to the corporation, convert each one share of preferred stock to one share of the common stock of this corporation which transfer shall be effective thirty days after written notice is delivered by the holder to the Secretary of the corporation seeking such transfer.
- f) That the said preferred shares are redeemable by the corporation for the par value plus all accrued dividends to the date of redemption.
- g) That each share of preferred stock shall be offered for sale at its par value.
- h) That the said preferred shares are non-voting and non-assessable.

Stock issue pursuant to I.R.C. Sec. 1244. A plan was discussed to offer shares of common stock for sale so that any loss sustained by a stockholder on the sale or exchange of such stock of the corporation may qualify for ordinary loss deduction treatment on the stockholder's personal income tax return. Upon the motion duly made, seconded and unanimously carried, the following resolution was adopted.

BE IT RESOLVED by the Board of Directors of this corporation as follows:

1. That it is advisable and in the best interests of the corporation and its stockholders that the Board of Directors of this corporation approve and adopt a plan to offer shares of common stock for sale so that in the hands of qualified stockholders such shares of stock will receive the benefits of Section 1244 of the Internal Revenue Code of 1954 as amended.
2. That if on this date this corporation has any outstanding and unissued offerings of stock (including subscriptions, stock rights, options, etc.), then the same and each of them are hereby withdrawn, cancelled and terminated.
3. That this corporation is a "small business corporation," as defined in said Section 1244(c)2, and it does not now have outstanding any prior offerings to sell or issue any of its stock.
4. That a plan as hereafter set forth to issue stock pursuant to said Section 1244 is hereby approved and adopted.
5. That under this plan the proper officers of the corporation are hereby authorized and directed to offer, sell and issue as many shares of common stock and at such prices, payable in cash or other property (other than stock and securities) as from time to time they deem to be in the best interests of the corporation, subject to the following:
  - (a) in no event shall the total amount of cash and the value of property, received for shares of common stock, exceed \$500,000.00; and
  - (b) this offer to sell and issue shares of common stock shall terminate two (2) years from the date this plan is approved and adopted by the Board of Directors of this corporation.
6. That this plan shall be interpreted and construed in such manner as will enable it to qualify as a plan meeting the requirements of Section 1244 of the Internal Revenue Code of 1954, as amended, and as will enable the shares of common stock issued thereunder to qualify as "Section 1244 stock", as defined in said section.
7. That the proper officers of this corporation are hereby authorized to do and perform any and all acts necessary to carry out this plan.

Signing of minutes. Upon the motion duly made, seconded, and unanimously carried it was resolved that the signing of these minutes by each director shall constitute a waiver of the call for and all prior notice of the time, place and purpose of this meeting and shall constitute consent to and ratification of all

action taken at this meeting as set forth in these minutes.

Adjournment. No other business coming before the meeting, the meeting was on motion duly made and seconded, adjourned.

John J. Sullivan  
John J. Sullivan, Director and President.

Edward K. Goering  
Edward K. Goering, Director and Secretary.

Wayne T. Crow  
Wayne T. Crow, Director.

Winston K. Goering,  
Winston K. Goering, Director.

T. Kendall Harward  
T. Kendall Harward, Director.

Dan Rule  
Dan Rule, Director.

John Ward  
John Ward, Director.

**EXHIBIT A**

ORIGINAL  
COUNTERPART

SPECIAL MEETING OF THE SHAREHOLDERS  
WRITTEN CONSENT TO ACTION BY THE SHAREHOLDERS  
PURSUANT TO IDAHO CODE SECTION 30-1-145  
OF  
AMERICAN SCIENTIFIC TECHNOLOGIES CORPORATION  
on the date of  
May 23, 1985

THE UNDERSIGNED SHAREHOLDERS, being all of the shareholders of this corporation, hereby individually and collectively consent to and hereby take the actions hereinafter set forth with the same effect as if such actions were taken at a meeting of the shareholders duly noticed, called and held on the above date.

Roll call of the shareholders. The following shareholders are all of the shareholders of this corporation on the above date, namely: JOHN WARD, DAN RULE, DON RULE, DAN SCOTT, JIM STRAWBRIDGE, RON LAURIE, RICK MORGAN, WAYNE CROW, JOHN SULLIVAN, EDWARD GOERING, WINSTON GOERING, T. KENDALL HARWARD.

Approval of resolution of Board of Directors. The following resolutions of the Board of Directors are unanimously to be adopted:

A. That Article IV of the Articles of Incorporation be amended to read as follows:

"The principal office or place of business of this corporation shall be at 2603 Sundance Road, Suite N, Nampa, Idaho, 83651, Canyon County, Idaho; that the corporation may maintain an office in such towns, cities, and places outside the State of Idaho as the Board of Directors may from time to time determine, or as may be designated by the bylaws of said corporation."

B. That Articles V of the Articles of Incorporation of this corporation be amended to read as follows:

"The amount of the authorized capital stock of this corporation shall be \$1,000,000.00 divided into 500,000 shares of common stock of the par value of \$1.00 per share and,

In addition to the common stock stated immediately above and pursuant to Idaho Code Sections 30-1-15 and 30-1-16 and all other applicable provisions of Title 30 of the Idaho Code and Acts amendatory and supplemental thereto, authority is vested in the Board of Directors of this corporation to establish and issue 500,000 shares of preferred stock of the par value of \$1.00 per share and, which may be divided and issued in one or more series and the said Board of Directors shall have the authority, within the limitations of the said statute(s), to fix and determine the relative rights and preferences of any series so established, to include but not limited to, the following:

- (a) The rate of dividend.
- (b) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption.
- (c) The amount payable upon shares in the event of voluntary and involuntary liquidation.
- (d) Sinking fund provisions, if any, for the redemption or purchase of shares.
- (e) The terms and conditions, if any, on which shares may be converted.
- (f) Voting rights, if any.

The following is a description of each class of stock with the powers, preferences, and rights and the restrictions, qualifications, and limitations thereof:

- (1) No holder of stock of the Corporation shall be entitled as a matter of right, preemptive or otherwise, to subscribe for or purchase any part of any stock now or hereafter authorized to be issued, or shares thereof, held in the treasury of the Corporation or securities convertible into stock, whether issued for cash or other consideration or by way of dividend or otherwise.
- (2) In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Corporation, the holders of the Preferred Stock shall receive preference over the common stock and shall be paid in cash the par value of the preferred stock plus any accrued dividends before any distribution of the assets of the corporation shall be made to the holders of common stock. After such payment shall have been made in full to the holders of the outstanding preferred stock or funds necessary for such payment shall have been set aside in trust for the account of the holders of the outstanding preferred stock so as to be and continue available therefor, the holders of the outstanding preferred stock shall be entitled to no

further participation in such distribution of the assets of the Corporation and the remaining assets of the corporation shall be divided and distributed among the holders of the common stock then outstanding according to their respective shares. If, upon such liquidation, dissolution, or winding up, the assets of the Corporation distributable as aforesaid among the holders of the preferred stock shall be insufficient to permit the payment to them of said amount, the entire assets shall be distributed ratably among the holders of the preferred stock. A consolidation or merger of the Corporation, a sale or transfer of all or substantially all of its assets as an entirety, or any purchase or redemption of stock of the Corporation of any class, shall not be regarded as a "liquidation, dissolution, or winding up of the affairs of the Corporation" within the meaning of this paragraph."

C. Authorization and issuance of 100,000 shares of Series A non-assessable, non-voting, one dollar par value preferred stock of this corporation.

1. The necessary filing shall be completed with the Secretary of State and approval, if any required by the Secretary of State, for this corporation to authorize and issue 100,000 shares of Series A, non-assessable, non-voting, \$1.00 par value preferred stock.
2. All shares of preferred stock shall be sold or offered for sale in a small private offering offered only to the owners and holders of the common stock of this corporation. No offering shall be made which is not exempt from both the laws of the Securities and Exchange Commission and the Blue Sky laws and Corporate Securities laws of the State of Idaho.
3. That all shares of this class (Series A) shall be identical with equal rights and preferences and shall:
  - a) Have a \$1.00 par value;
  - b) Be redeemable by the corporation at the corporation's option at any time;
  - c) Be paid a dividend at the rate of two percent (2%) above the prime to commercial customers of the First Interstate Bank of Idaho, N.A., at Nampa, Idaho fixed on the date of May 23, 1985, which rate was ten percent (10%), which dividend shall then be twelve percent (12%) per annum;
  - d) That the dividend rate of return shall be guaranteed by the corporation.
  - e) That the dividend shall accrue and may be paid quarterly by a declaration of the Directors of this corporation; the dividend

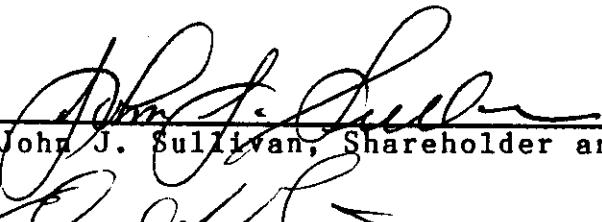
shall be due one year from the issuance date of the stock; but in any event, if any dividend is not paid after one year from its due date, then the holder of the preferred shares can at the holder's option, by written notice to the corporation, convert each one share of preferred stock to one share of the common stock of this corporation which transfer shall be effective thirty days after written notice is delivered by the holder to the Secretary of the corporation seeking such transfer.

f) That the said preferred shares are redeemable by the corporation for the par value plus all accrued dividends to the date of redemption.

g) That each share of preferred stock shall be offered for sale at its par value.

h) That the said preferred shares are non-voting and non-assessable.

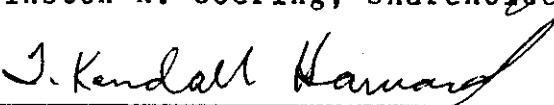
Conclusion. Each shareholder has signed this consent under the authority of Idaho Code Section 30-1-145 with the intent that this consent shall have the same effect as a unanimous vote of the shareholders.

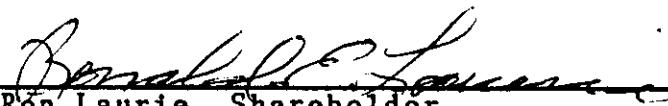
  
John J. Sullivan, Shareholder and President.

  
Edward K. Goering, Shareholder and Secretary.

  
Wayne T. Crow, Shareholder.

  
Winston K. Goering, Shareholder.

  
T. Kendall Harward, Shareholder.

  
Ron Laurie, Shareholder.

James Strawbridge  
James Strawbridge, Shareholder.

Rick Morgan  
Rick Morgan, Shareholder.

Don Rule  
Don Rule, Shareholder.

Dan Rule  
Dan Rule, Shareholder.

Dan Scott  
Dan Scott, Shareholder.

John Ward  
John Ward, Shareholder.