

FILED EFFECTIVE

ARTICLES OF MERGER
of
POSITRON SYSTEMS, INC.
(an Idaho corporation)
with and into
POSITRON SYSTEMS, INC.
(a Delaware corporation)

07 FEB -5 PM 1:46

SECRETARY OF STATE
STATE OF IDAHO

Pursuant to the provisions of Sections 30-1-1104, 30-1-1105 and 30-1-1106 of the Idaho Business Corporations Act, the undersigned corporations hereby adopt the following Articles of Merger for the purpose of merging them into one of such corporations.

1. The name of the surviving corporation in the merger is Positron Systems, Inc., a corporation organized and existing under the laws of the State of Delaware (the "*Surviving Corporation*"), and the name of the merging corporation is Positron Systems, Inc., a corporation organized and existing under the laws of the State of Idaho (the "*Disappearing Corporation*").

2. The Plan of Merger is as set forth on Annex A hereto and is hereby incorporated by reference into these Articles of Merger.

3. The Plan of Merger was adopted by the shareholders of the Disappearing Corporation, as required by Section 30-1-1104 of the Idaho Business Corporation Act and by the Articles of Incorporation of the Disappearing Corporation.

4. The participation of the Surviving Corporation was duly authorized as required by the organic law of the Disappearing Corporation.

5. The Surviving Corporation has complied with the applicable provisions of the laws of the State of Delaware under which it is incorporated, and this merger is permitted by such laws.

[SIGNATURE PAGE FOLLOWS]

IDAHO SECRETARY OF STATE
02/05/2007 05:00
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IN WITNESS WHEREOF, the constituent corporations have caused these Articles of Merger to be signed by their duly authorized presidents, this 31st day of January, 2007.

POSITRON SYSTEMS, INC.,
a Delaware corporation

By: Martin Hedley
Martin Hedley
Chief Executive Officer

POSITRON SYSTEMS, INC.,
an Idaho corporation

By: Martin Hedley
Martin Hedley
Chief Executive Officer

[SIGNATURE PAGE TO ARTICLES OF MERGER]

ANNEX A
PLAN OF MERGER

(Attached)

PLAN OF MERGER

THIS PLAN OF MERGER (this "*Plan of Merger*") is made and entered into as of January 22nd, 2007, by and between Positron Systems, Inc., a Delaware corporation ("*PS-Del*"), and Positron Systems, Inc, an Idaho corporation ("*PS-Idaho*" and together with PS-Del, the "*Constituent Corporations*").

RECITALS:

A. PS-Idaho has caused PS-Del to be incorporated under the laws of the State of Delaware as a wholly-owned subsidiary in connection with the proposed reincorporation of PS-Idaho as a Delaware corporation.

B. In order to effect such proposed reincorporation of PS-Idaho, the Constituent Corporations now desire to merge PS-Idaho with and into PS-Del pursuant to the terms and conditions set forth herein, with PS-Del being the surviving corporation (the "*Merger*").

C. The board of directors of each of the Constituent Corporations have unanimously approved the Merger and this Plan of Merger.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT:

1. **The Merger.** At the Effective Time (as defined below) and subject to and upon the terms and conditions of this Plan of Merger and the applicable provisions of the Idaho Business Corporations Act (the "*Idaho Act*") and the Delaware General Corporation Law (the "*DGCL*"), PS-Idaho shall be merged with and into PS-Del, the separate corporate existence of PS-Idaho shall cease, and PS-Del shall continue as the surviving corporation in the Merger. PS-Del, as it shall exist following the Merger, is sometimes referred to herein as the "*Surviving Corporation.*" The name of the Surviving Corporation following the Merger shall be "Positron Systems, Inc."

2. **Effective Time.** The parties hereto shall cause the Merger to be consummated by filing this Plan of Merger and appropriate Articles of Merger (the "*Articles of Merger*") with the Secretary of State of the State of Idaho and an appropriate Certificate of Ownership and Merger (the "*Certificate of Merger*") with the Secretary of State of the State of Delaware, each in accordance with the relevant provisions of applicable law. As used herein, the term "*Effective Time*" shall mean the later of (i) the time of acceptance of the Certificate of Merger by the Secretary of State of the State of Delaware and (ii) the time of acceptance of the Articles of Merger and this Plan of Merger by the Secretary of State of the State of Idaho.

3. **Effect of the Merger on the Constituent Corporations.** At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the Idaho Act, the

DGCL, this Plan of Merger, the Articles of Merger and the Certificate of Merger. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of the Constituent Corporations shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Constituent Corporations shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

4. **Certificate of Incorporation and Bylaws of PS-Del.** At the Effective Time, (i) the certificate of incorporation of PS-Del, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Corporation (the "***Certificate of Incorporation***"), until thereafter amended in accordance with applicable law and such Certificate of Incorporation; and (ii) the bylaws of PS-Del, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Corporation (the "***Bylaws***"), until thereafter amended as provided by such Bylaws, the Certificate of Incorporation and applicable law.

5. **Directors and Officers of PS-Del.** At the Effective Time, the directors and officers of PS-Del immediately prior to the Effective Time shall be the directors and officers of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation, until their respective successors are duly elected or appointed and qualified.

6. **Effect on Outstanding Securities of PS-Idaho.** On the terms and subject to the conditions of this Plan of Merger, as of the Effective Time, by virtue of the Merger and without any action on the part of the Constituent Corporations or any holder of any securities of PS-Idaho, the following shall occur:

(a) **Conversion of PS-Idaho Common Stock.** Each issued and outstanding share of Common Stock of PS-Idaho ("***PS-Idaho Common Stock***") shall be converted into the right of the holder of such share to receive one (1) share of Common Stock of PS-Del ("***PS-Del Common Stock***"). Each valid certificate representing PS-Idaho Common Stock shall be deemed to represent a like number of shares of PS-Del Common Stock, without the surrender for cancellation of any stock certificates representing such shares or any other action on the part of the holder thereof.

(b) **Assumption of Outstanding Options.** Each unexpired and unexercised stock option to purchase shares of PS-Idaho Common Stock ("***PS-Idaho Options***") shall be assumed by PS-Del, and each such option shall continue to have, and be subject to, the same terms and conditions as those that existed immediately prior to the Effective Time, except that each such option shall be exercisable for shares of PS-Del Common Stock in lieu of shares of PS-Idaho Common Stock on a one-for-one basis. The assumption and substitution of the PS-Idaho Options as provided herein shall not give the holders of such options additional benefits which they did not have immediately prior to the Effective Time or relieve such holders of any obligations or restrictions applicable to their options or the shares obtainable upon exercise of the options. PS-Del shall reserve out of its authorized but unissued shares of PS-Del Common Stock sufficient shares to provide for the exercise in full of the PS-Idaho Options.

(c) **Cancellation of PS-Del Common Stock Owned By PS-Idaho.** Each share of PS-Del Common Stock owned by PS-Idaho immediately prior to the Effective Time shall be automatically cancelled and extinguished without any conversion thereof and without any further action on the part of either of the Constituent Corporations.

7. **No Further Ownership Rights in PS-Idaho Securities.** All shares of PS-Del Common Stock issued in exchange for shares of PS-Idaho Common Stock in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of PS-Idaho Common Stock, and there shall be no further registration of transfers on the records of the Surviving Corporation of PS-Idaho Common Stock which were outstanding immediately prior to the Effective Time. All outstanding PS-Idaho Options assumed by PS-Del in accordance with the terms hereof shall be deemed to have been assumed in full satisfaction of all rights pertaining to any PS-Idaho Options, and there shall be no further exercises or registration of transfers on the records of the Surviving Corporation of PS-Idaho Options which were outstanding immediately prior to the Effective Time.

8. **Taking of Necessary Action; Further Action.** If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Plan of Merger or to vest in the Surviving Corporation the full right and title in, and possession of, all assets, property, rights, privileges, powers and franchises of PS-Idaho, the officers and directors of the Surviving Corporation shall be fully authorized to take, and shall take, all such lawful and necessary action.

9. **Amendment; Termination.** This Plan of Merger may be amended by the board of directors of PS-Idaho at any time prior to the Effective Time; *provided, however*, that an amendment made subsequent to the adoption of this Plan of Merger by the shareholders of PS-Idaho shall not (i) alter or change the amount or kind of shares and/or rights to be received in exchange for or on conversion of all or any of the shares of PS-Idaho Common Stock or (ii) alter or change any of the terms and conditions of this Plan of Merger if such alteration or change would materially adversely affect the holders of PS-Idaho Common Stock. Anything herein or elsewhere to the contrary notwithstanding, this Plan of Merger may be terminated and abandoned by the board of directors of PS-Idaho at any time prior to the Effective Time.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Constituent Corporations have caused this Plan of Merger to be signed by their duly authorized representatives, all as of the date first written above.

"PS-Del":

POSITRON SYSTEMS, INC.,
a Delaware corporation

By: Martin Hedley
Martin Hedley
Chief Executive Officer

"PS-Idaho":

POSITRON SYSTEMS, INC.,
an Idaho corporation

By: Martin Hedley
Martin Hedley
Chief Executive Officer

[SIGNATURE PAGE TO PLAN OF MERGER]