

OMB No. 0651-0011 (exp. 4/94)



100974747

copies or copies thereof.

To the Honorable Commissioner of Patents and Trademarks

1. Name of conveying party(ies):

Life Line Screening, Inc.

- Individual(s), Association, General Partnership, Limited Partnership, Corporation-State Florida, Other

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):

Name: Life Line Screening Corp.

Internal Address:

Street Address: 3003 South Loop West, Suite 500

City: Houston State: TX ZIP: 77054

- Individual(s) citizenship, Association, General Partnership, Limited Partnership, Corporation State Delaware, Other

If assignee is not domiciled in the United States, a domestic representative designation is attached.

(Designations must be a separate document from assignment) Additional name(s) & addresses attached? Yes No

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other Bill of Sale and General Assignment and Conveyance; Asset Purchase Agreement

Execution Date: 5/22/98

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

75/370,724

B. Trademark Registration No.(s)

2,052,172

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Nancy O. Dix, Esq.

Internal Address: Gray Cary Ware & Freidenrich

Street Address: 401 B Street, Suite 1700

City: San Diego State: CA ZIP: 92101-4297

02/25/1999 DMUYEN 00000148 75370724

01 FC:4A1 40.00 OP 02 FC:4B2 25.00 OP

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41) \$ 65.00 [\$40 1st doc., \$25 2nd doc]

- Enclosed, Authorized to be charged to deposit account (if enclosed check fails to cover fees)

8. Deposit account number:

07-1895

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

NANCY O. DIX

Name of Person Signing

Signature

2/22/99

Date

Total number of pages including cover sheet, attachments, and document: 122

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments Washington, D.C. 20231

**BILL OF SALE AND
GENERAL ASSIGNMENT AND CONVEYANCE**

LIFE LINE SCREENING, INC., a Florida corporation ("Grantor"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, assign, convey and transfer to LIFE LINE SCREENING CORPORATION, a Delaware corporation ("Grantee"), pursuant to that certain Asset Purchase Agreement dated as of May 22, 1998, among Grantor, Grantee, and Mary Jo Henderson ("Purchase Agreement"), all of the Assets (as defined in the Purchase Agreement).

TO HAVE AND TO HOLD, all and singular, the Assets to Grantee, its successors and assigns, to its own use forever.

The representations and warranties of Grantor in the Purchase Agreement are incorporated herein by reference as if made herein.

This Bill of Sale and General Conveyance and Assignment is executed and delivered pursuant to the Purchase Agreement.

IN WITNESS HEREOF, this Bill of Sale and General Assignment and Conveyance is executed this 22nd day of May, 1998.

GRANTOR:

LIFE LINE SCREENING, INC.

By: Mary Jo Henderson

Name: MARY JO HENDERSON

Title: PRESIDENT

STATE OF FLORIDA

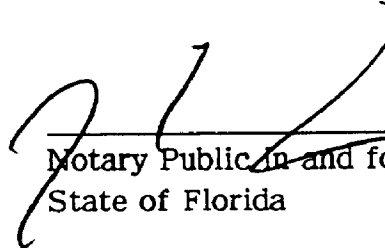
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COUNTY OF PINELLAS

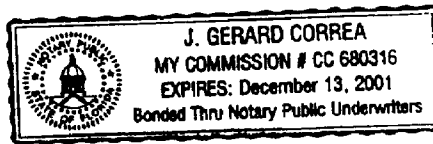
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This instrument was acknowledged before me on this 22nd day of May, 1998, by MARY JO HENDERSON, as President of and on behalf of LIFE LINE SCREENING, INC., a Florida corporation.



Notary Public in and for the
State of Florida



21022 SCRNPTRS/880.001 JRJ

TRADEMARK
REEL: 1861 FRAME: 0384

ASSET PURCHASE AGREEMENT

DATED MAY 22, 1998

BY AND AMONG

LIFE LINE SCREENING CORPORATION, "BUYER",

LIFE LINE SCREENING, INC., "SELLER"

AND

MARY JO HENDERSON, "HENDERSON"

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is dated effective as of the 22nd day of May, 1998, by and among Life Line Screening Corporation, a Delaware corporation (the "Buyer"), Life Line Screening, Inc., a Florida corporation (the "Seller"), and Mary Jo Henderson, a resident of Florida ("Henderson").

RECITALS:

A. Henderson owns one hundred percent (100%) of the issued and outstanding capital stock of Seller. Seller is in the business of owning, licensing, and operating certain rights and assets relating to the business of performing and analyzing mobile ultrasound screenings, including the right to operate such mobile ultrasound screenings in the United States under the name "Life Line" (the "Business").

B. Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase from Seller, all the assets and properties used or held for use in connection with the Business, as more particularly described below, and on the terms and subject to the conditions described herein.

C. Simultaneously with the execution of this Agreement, Buyer is entering into a Stock Purchase Agreement (the "Stock Purchase Agreement") with Henderson, whereby Henderson is agreeing to sell, and Buyer is agreeing to purchase, subject to the terms and conditions set out therein (i) one hundred percent (100%) of the issued and outstanding capital stock of Lifeline Screening Franchise, Inc., a Florida corporation ("LLF"), and (ii) forty percent (40%) of the issued and outstanding capital stock of Heart Scan for Athletes, Inc., a Florida corporation ("HSA").

D. It is the further intention of the parties, promptly following the execution and delivery of this Agreement and with due regard to the earnest money deposit in the amount of \$50,000 (the "Earnest Money"), received by Seller prior to the effective date hereof, that Buyer and Seller shall proceed to complete the transactions contemplated herein and in the Stock Purchase Agreement according to the terms and subject to conditions herein and therein stated.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

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ARTICLE 1.

Purchase and Sale of Assets: Assumption of Liabilities

1.1. Assets. Subject to and in reliance upon the representations, warranties and agreements herein set forth, and subject to the terms and conditions herein contained, and except only those liabilities, obligations and Liens (as defined herein) which are to be assumed by Buyer pursuant to Section 1.3 hereof and Seller Permitted Liens (as defined herein), Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as defined herein), and Buyer shall purchase on the Closing Date, free and clear of all liabilities and obligations, as well as all covenants, restrictions, mortgages, liens, security interests, claims, pledges, easements, assignments, covenants, options, rights of refusal, charges, leases, licenses, defects in title, encumbrances and any other restriction of any kind or nature (collectively, "Liens") all properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every type and description, wherever located, including the Business as a going concern and goodwill, that are owned by Seller and used or held for use in connection with the Business, except for those assets which are expressly excluded pursuant to Section 1.2 hereof (collectively, the "Assets"). Without limiting the foregoing, the Assets shall include the following:

(a) Licenses and Authorizations. All licenses, permits, franchises, certificates of compliance, consents, approvals and authorizations by any Federal, state or local government or any subdivision thereof or any court, administrative agency or commission or other governmental agency or authority (a "Governmental Entity") (all the foregoing, including any renewals, extensions or modifications thereof and additions thereto and any pending applications therefor, being referred to herein as "Licenses") that are held by Seller and used or held for use in connection with the Business, including those Licenses listed on Schedule 1.1(a), together with any Licenses acquired as permitted by the terms of this Agreement between the date of this Agreement and the Closing Date.

(b) Tangible Personal Property. All physical assets, equipment, vehicles, furniture, fixtures, office materials and supplies, spare parts, and other tangible personal property of every kind and description owned, leased or licensed by Seller as of the date of this Agreement and used or held for use in connection with the Business, including those items described generally on Schedule 1.1(b), and any additions, improvements, replacements and alterations thereto made as permitted by the terms of this Agreement between the date of this Agreement and the Closing Date, in each case other than any tangible personal property consumed in the ordinary course of business and operations of the Business from the date hereof to the Closing Date.

(c) Real Property. All land and leaseholds, and other estates in real property and appurtenances thereto, and all easements, privileges, rights-of-way, riparian and other water rights, lands underlying any adjacent streets or roads, appurtenances, licenses, permits and other rights pertaining to or accruing to the benefit of such real

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property and leasehold interests and estates in real property, buildings, and fixtures and improvements thereon ("Real Property") owned, leased or licensed by Seller as of the date hereof and used or held for use in connection with the Business, including those described generally on Schedule 1.1(c), and any additions, improvements, replacements and alterations thereto made as permitted by the terms of this Agreement between the date of this Agreement and the Closing Date.

(d) Contracts. All contracts, franchise agreements, independent contractor agreements, employment and non-compete agreements, leases (including, without limitation, office leases and equipment leases), loan agreements and related documents (including without limitation, as regards vehicle loans), licenses (other than Licenses), indentures, other agreements, commitments and all other legally binding arrangements, whether oral or written, express or implied ("Contracts") entered into in connection with the Business, including those listed on Schedule 1.1(d), together with all Contracts entered into as permitted by the terms of this Agreement between the date of this Agreement and the Closing Date (collectively, the "Assumed Contracts").

(e) Trademarks, etc. All trademarks (registered or unregistered), service marks, franchises, patents, trade names, jingles, slogans, and logotypes, copyrights and other intangible rights, including any applications therefor and other intellectual property and proprietary rights, whether or not subject to statutory registration or protection (the "Intellectual Property"), in each case owned, leased or licensed by Seller and used or held for use as of the date of this Agreement in connection with the Business, including the names Lifeline, Lifeline Screening and Lifeline Franchise and derivations thereof, and including the current Lifeline corporate symbol (the "Lifeline Symbol") and other Intellectual Property described generally on Schedule 1.1(e), and any Intellectual Property acquired by Seller in connection with the Business as permitted by the terms of this Agreement between the date hereof and the Closing Date.

(f) Files and Records. All files, records, books of account, general, financial, accounting and personnel records, invoices, computer programs, tapes, electronic data processing software, customer and supplier lists, correspondence and other records of Seller used or held for use by or otherwise relating to the Business.

(g) Receivables, Prepaid Expenses and Other Current Assets. All accounts receivable ("Receivables"), prepaid expenses (other than prepaid Taxes (as defined in Section 3.20)), notes and any other current assets arising in connection with the Business and existing on the Closing Date.

(h) Security Deposits. All security deposits held by third parties for the benefit of the Business on the Closing Date.

(i) Claims. All rights, claims, credits or causes of action against third parties relating to or arising out of the Business, except any and all claims of Seller for

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refunds of Taxes paid or attributable to a taxable period (or portion thereof) ending on or prior to the Closing.

(j) Goodwill. All Seller's goodwill in, and the going concern value of, the Business.

(k) Cash and Investments. All cash on hand or in bank accounts and other cash items, cash equivalents and short-term investments (collectively, "Cash and Investments") held in connection with the Business on the Closing Date.

(l) Insurance. All policies and contracts of insurance, [other than directors' and officers' liability insurance,] relating to the Business, together with all proceeds received by Seller from any such policy or contract after the Closing.

(m) Claims for Taxes. Any and all claims of Seller for refunds of Taxes paid or attributable to a taxable period (or portion thereof) ending on or prior to the Closing.

(n) USF Research Project. All right and title and interest of Seller to the existing data, analyses and reports held or submitted by Seller for or issued to Seller in connection with the ongoing research at the University of Southern Florida ("USF") with regard to screening technology currently used by Seller ("USF Project") and all of Seller's rights to editorial control, termination or continuation of the USF Project, future publications, research and royalties, except that Henderson, Dr. Blackshear, Dr. Jehle, and Dr. Pruitt retain any right they may currently hold to receive recognition as co-authors of any publications resulting from the USF Project. Buyer will have the right to terminate its participation in the USF Project or to transfer the USF project to another university.

(o) Corporate Name. Any and all rights to Seller's corporate name and derivatives thereof.

(p) Franchise Agreements. All right, title and interest of Seller in and to the Franchise Agreements between LLF and certain third parties as listed in Schedule 1.1(p) (the "Franchise Agreements").

1.2. Excluded Assets. Six (6) Buccaneer Club Seats shall be excluded from the Assets and retained by Seller (the "Excluded Assets").

1.3. Assumption of Certain Liabilities, Excluded Liabilities.

(a) Upon the terms and subject to the conditions of this Agreement, effective as of the Closing Date, Buyer shall assume and agree to pay, perform and discharge when due, and indemnify Seller and hold each of them harmless from the following liabilities and obligations of the Business (the "Assumed Liabilities"):

(i) outstanding indebtedness of the Business, including approximately \$ 934,741.00 in the aggregate outstanding as of April 30, 1998 and additional indebtedness incurred thereafter in the ordinary course of business; provided, however that the aggregate amount of outstanding indebtedness assumed will not exceed (A) 934,741.00 plus (B) the aggregate amount of any additional indebtedness incurred with the written consent of Buyer pursuant to Section 5.1.

(ii) trade payables and other accounts payable reflected on the balance sheets as of 79,181.00 of Seller included as part of the Interim Financial Statements (as defined herein) and those arising thereafter in the ordinary course of business consistent with past practice;

(iii) all liabilities and obligations of Seller arising under the Assumed Contracts from and after the Closing Date;

(iv) all other liabilities and obligations of Seller arising in the ordinary course of business consistent with past practice, up to \$ 199,599 in the aggregate; and

(v) all liabilities and obligations of Seller arising from and after the Closing Date under the leases for office space or equipment listed on Schedule 1.1(d).

(b) Buyer shall in no event assume, nor shall it be liable for, any obligations or liabilities of Seller of any nature whatsoever (whether express or implied, fixed or contingent, known or unknown) other than the Assumed Liabilities (all obligations and liabilities of Seller other than the Assumed Liabilities are referred to herein collectively as the "Excluded Liabilities"). Without limiting the foregoing, Buyer shall not be deemed to assume any liabilities relating to or arising out of any Excluded Assets or any liabilities for any Taxes.

1.4. Purchase Price.

(a) The Purchase Price for the Assets, the Stock (as defined in the Stock Purchase Agreement) and the covenants not to compete in this Agreement and in the Stock Purchase Agreement shall be the amount described in this Section 1.4.

(b) The Purchase Price shall consist of (i) cash consideration of \$5,100,000 (less the amount of the Earnest Money) payable by cashier's check or, if Seller so elects and at Seller's expense, by wire transfer, (ii) a Promissory Note in the amount of \$2,400,000 (the "Note"), due on or before the expiration of six (6) years bearing interest at seven percent (7%) per annum, with payments of interest only due monthly, substantially in the form attached hereto as Exhibit "B", and (iii) a continuing obligation for a period of

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five (5) years to pay Seller up to an aggregate amount of \$2,500,000, but only if, as, and when, the annual Pre-Tax Earnings (as herein defined) from (x) the non-franchising business operations of the Seller in the Existing Territories (as herein defined) and (y) the LLF Franchise Business (as defined herein) exceed in the aggregate the applicable Base Amount (as herein defined) of Pre-Tax Earnings; provided, however, the payment in any year may not exceed \$500,000 (except that an additional payment of seven percent (7%) of the gross revenues from commercial development of Expansion Territories (as herein defined) not to exceed \$250,000 in any one year shall be made in any such year when Pre-Tax Earnings exceed the applicable Base Amount). Nothing contained in this subparagraph or any other provision of this Agreement shall be construed to limit in any way Buyer's methods of conducting its business operations or decisions it makes with respect thereto, all of which may be conducted and made by Buyer in its sole discretion.

(c) The defined terms used in this Section 1.4 shall have the meanings set out below. "Pre-Tax Earnings" shall mean revenues derived from operations, less applicable expenses, including employee compensation (excluding compensation to Stuart B. Scott in excess of \$200,000 per year), interest on indebtedness of Buyer (excluding any indebtedness incurred to borrow the cash portion of the Purchase Price), depreciation and amortization expenses and applicable state income and franchise taxes, but before deduction of federal income tax. "Base Amount" of Pre-Tax Earnings shall mean \$2,000,000 for 1998, \$2,100,000 for 1999, \$2,200,000 for 2000, \$2,300,000 for 2001 and \$2,400,000 for 2002. "Existing Territories" shall mean the states of Florida, Nebraska, Michigan, Georgia, Iowa, Indiana, Kansas and Missouri. "Expansion Territories" shall mean all states other than those located in the Existing Territories. "LLF Franchise Business" shall mean the franchising business operated by Lifeline Franchise, Inc. For a period of five years or such longer time as the Note or any portion thereof remains outstanding, Henderson shall have the right to review all of Buyer's audited and unaudited financial statements and the right to inspect, at her expense, and without interruption of Buyer's business, its financial records.

(d) Until the Note is paid, Buyer agrees to maintain the current quality assurance protocol as described in the Seller's manuals described in Schedule 1.1(e) and to provide support services to LLF's and Seller's franchisees as are appropriate in order to maintain the current quality of services and technology provided by or pursuant to the Franchise Agreements.

(e) The Purchase Price shall be allocated among the Stock, the Assets and the covenants not to compete as herein provided and as provided in the Stock Purchase Agreement, and among each of the individual Assets as herein identified, as reflected on Schedule 1.4(e).

1.5. Continuation of Services. For a period of 6 months after the Closing Date, Buyer agrees to furnish to HSA the services of the employees specified on Schedule 1.5 for periods not to exceed 2 hours per week for each employee so listed or a total of 8 hours per week for all such employees. Thereafter, Buyer agrees to furnish to HSA the services of

such employees when available for periods not to exceed 2 hours per week for each employee, provided that HSA reimburses Buyer an amount determined by Buyer as an appropriate allocated amount to cover the cost of compensation and benefits payable to such employees. At such time as any individuals listed on Schedule 1.5 cease to be employees of Buyer, Buyer's obligations pursuant to this paragraph will terminate as to the individual no longer in the employ of Buyer and the number of total hours per week will be correspondingly reduced.

ARTICLE 2.

Closing; Deliveries of the Parties at Closing

2.1. The Closing. The consummation of the transactions provided for in this Agreement and the Stock Purchase Agreement (the "Closing") shall take place at the offices of J. Gerard Correa, P.A., 275 96th Avenue, Unit 6, St. Petersburg, Florida 33702-2523 at 10:00 A.M. on May 22, 1998 or, if the conditions to Closing set forth in Article 8 shall not have been satisfied by such date, as soon as practicable after such conditions have been satisfied. The date on which the Closing shall occur is referred to herein as the "Closing Date."

2.2. Deliveries at the Closing by the Seller. At the Closing, Seller shall deliver to Buyer the following (the "Seller Transaction Documents"):

(a) bills of sale, including, without limitation, the Bill of Sale, endorsements, assignments, certificates of title and other good and sufficient instruments of sale, transfer and assignment in form and substance reasonably satisfactory to Buyer and its counsel sufficient to sell, transfer and assign to Buyer all right, title and interest of Seller in and good and valid title to the Assets, subject to Seller Permitted Liens;

(b) certified copies of resolutions, duly adopted by the Board of Directors and shareholders of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby and any other authorization required to transfer the Assets;

(c) a certificate from the Seller signed by such party or an executive officer of such party, as applicable, to the effect set forth in clauses (a) and (b) of Section 8.1;

(d) an opinion dated as of the Closing Date of J. Gerard Correa counsel to Seller, with respect to such matters as Buyer may reasonably request, in form and substance reasonably satisfactory to Buyer;

(e) all documents, instruments and other writings required to be delivered to Buyer at Closing pursuant to the provisions of the Stock Purchase Agreement;

(f) such other documents or instruments as Buyer or its counsel may reasonably request to demonstrate satisfaction of the conditions to Closing set forth in Article 7 and compliance by the Seller with the agreements set forth in this Agreement;

(g) amendments to Seller's articles of incorporation, whereby Seller's name is changed, and, as applicable, changes in Seller's authorization to do business in states other than Florida, duly executed for recording in each applicable jurisdiction; and

(h) the Consents, except to the extent Buyer agrees to defer the receipt thereof until after the Closing; and

(i) written resignation from Henderson as an officer and director of Seller.

2.3. Deliveries at the Closing by Buyer. At the Closing (except as provided below), Buyer shall deliver to the Seller the following (the "Buyer Transaction Documents"):

(a) the Purchase Price for the Assets, the Stock, and covenants not to compete described in Section 1.4 hereof;

(b) documents securing the payment of the Note, being a security agreement covering the Assets, a guaranty agreement executed by Screening Partners, LLC and Screening Partners West, LLC, and a life insurance policy (to be delivered within a reasonable period of time after the Closing) payable to Henderson on the life of Stuart B. Scott for the principal balance due from time to time on the Note, in form and substance reasonably satisfactory to Seller and its counsel;

(c) an instrument or instruments of assumption of the Assumed Liabilities of the Seller's responsibilities therefor, in form and substance reasonably satisfactory to Seller and its counsel;

(d) certified copies of resolutions, duly adopted by the Board of Directors of Buyer which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby;

(e) a certificate from Buyer, signed by an executive officer thereof, to the effect set forth in clauses (a) and (b) of Section 7.1.;

(f) all documents, instruments and other writings required to be delivered to Seller at Closing pursuant to the provisions of the Stock Purchase Agreement; and

(g) such other documents, instruments and other writings as the Seller or its counsel may reasonably request to demonstrate satisfaction of the conditions to Closing as set forth in Article 7 and compliance by Buyer with the agreements set forth in this Agreement.

2.4. Pre-Closing Deliveries. Prior to the Closing Date, Seller shall have furnished to Buyer draft forms of all of the Seller Transaction Documents and all other documents to be delivered by Seller in accordance with Section 2.2, and Buyer shall have furnished to Seller draft forms of all of the Buyer Transaction Documents and all other documents to be delivered by Buyer in accordance with Section 2.3, in each case with a view to providing a reasonable period of time for reviewing, approving and completing all such documents and instruments prior to the scheduled Closing Date.

2.5. Time is of the Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

ARTICLE 3.

Representations and Warranties of the Seller and Henderson

The Seller and Henderson represent and warrant to Buyer, jointly and severally, as follows:

3.1. Corporate Status, Authority. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The Seller is duly qualified and in good standing to do business as a foreign corporation and the Business is duly qualified and in good standing to do business in each jurisdiction in which the conduct or nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary, except such jurisdictions where the failure to be so qualified or in good standing, individually or in the aggregate, would not reasonably be expected to have a material adverse effect (i) on the condition (financial or otherwise), business, liabilities, properties, assets, prospects or results of operations of the Business, taken as a whole, or (ii) on the ability of the Seller to perform its obligations under or to consummate the transactions contemplated by this Agreement (a "Seller Material Adverse Effect"). The Seller has all requisite corporate power, and the Business has all requisite power, to carry on its business and operations as it is now being conducted and to own and operate such business, to enter into this Agreement, to perform its obligations hereunder and to complete the transactions contemplated hereby.

3.2. Corporate Action. All corporate and shareholder actions and proceedings necessary to be taken by or on the part of Seller in connection with the transactions

contemplated by the Seller Transaction Documents have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, and each of the other Seller Transaction Documents, as applicable, will be duly and validly authorized, executed and delivered by Seller and will constitute, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with and subject to its terms, except as may be limited by bankruptcy or other laws affecting creditors' rights and by equitable principles.

3.3. Authority; Execution. The Seller has all requisite power and authority to execute and deliver the Seller Transaction Documents and to consummate the transactions contemplated thereby. All acts and other proceedings required to be taken by the Seller to authorize the execution, delivery and performance of the Seller Transaction Documents and the consummation of the transactions contemplated thereby have been duly and properly taken. This Agreement has been duly executed and delivered by Seller and constitutes, and the other Seller Transaction Documents, as applicable, will be duly executed and delivered by Seller and will constitute, a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with and subject to its terms, except as may be limited by bankruptcy or other laws affecting creditor's rights and by equitable principles.

3.4. No Conflicts. Except as set forth on Schedule 3.4, neither the execution, delivery and performance by the Seller, as applicable, of the Seller Transaction Documents nor the consummation by the Seller of the transactions contemplated herein is an event that, by itself or with the giving of notice or the passage of time or both, will (i) conflict with the articles of incorporation or by-laws, as amended, of Seller, (ii) constitute a violation of, or conflict with or result in any breach of or any default under, or constitute grounds for termination or acceleration of, any franchise agreement, License, mortgage, indenture, lease, contract, agreement or instrument to which the Seller or the Business is a party or by which it is bound, except for such violations, conflicts, breaches, terminations and accelerations as individually or in the aggregate would not have or be reasonably expected to have a Seller Material Adverse Effect or result in the creation of any Lien (other than a Seller Permitted Lien (as defined herein)) upon any of the assets of the Business, (iii) violate (A) any judgment, decree or order or (B) any statute, rule or regulation, in each such case, applicable to Seller or the Business, or (iv) constitute an event of default under or breach of any of the Contracts, Franchise Agreements or Licenses, or require the written or other consent or approval of any Person, including any party to such Contracts, Franchise Agreements or Licenses. The execution, delivery and performance by the Seller of this Agreement, and the consummation by the Seller of the transactions contemplated hereby, require no action by or in respect of, or filing with, any Governmental Entity.

3.5. Equity Interests. Seller does not own and the Assets do not include, directly or indirectly, any capital stock of or other equity interests in any corporation, partnership, limited liability company, limited liability partnership or other Person and except as may be construed under the Inter-Company Agreement (as defined herein) and the HSA

Agreement (as defined in the Stock Purchase Agreement) as regards the Seller, the Seller is not a member of or participant in any partnership, joint venture, limited liability company, limited liability partnership or similar Person. Seller does not own capital stock of or other equity interests in any corporation, partnership, limited liability company, limited liability partnership or other Person that is related to or involved in the conduct or operation of the Business or in except any similar or related Business.

3.6. Financial Statements. Schedule 3.6 sets forth true, correct and complete copies of (a) the balance sheets of Seller as at December 31, 1996 and 1997, and the statements of income and cash flows of Seller for each of the years then ended together with the notes to such financial statements, and the reports thereon, if any, of Seller's independent certified public accountants (with respect to Seller, the "Seller Financial Statements"); and (b) the balance sheets of Seller at April 30, 1998 and the statements of income and cash flows of each of Seller for the period then ended (the "Seller Interim Financial Statements"). (The Seller Financial Statements and the Seller Interim Financial Statements are sometimes herein collectively referred to as the "Seller Financial Statements".) The Seller Financial Statements have been, or in the case of the Seller Interim Financial Statements, will be, prepared from the books and records of the Seller and present fairly (subject to normal recurring year-end adjustments) the financial position of Seller and the Business at December 31, 1996 and 1997 and April 30, 1998 and the statements of income and cash flows of the Seller and the Business for the periods then ended in conformity with generally accepted accounting principles ("GAAP") applied on a basis consistent with past practice, except in each case as described in the notes thereto.

3.7. No Undisclosed Liabilities.

(a) There have been no material liabilities or obligations (whether pursuant to Contracts or otherwise) of any kind whatsoever (whether accrued, contingent, absolute, determined, determinable or otherwise) incurred by Seller or the Business since December 31, 1997, other than:

(i) liabilities or obligations disclosed or provided for in the Seller Interim Financial Statements or in the notes thereto;

(ii) liabilities or obligations incurred or that have arisen in the ordinary course of business consistent with past practice which, individually and in the aggregate, have not had and would not reasonably be expected to have a Seller Material Adverse Effect;

(iii) liabilities or obligations of Seller arising after the Closing Date pursuant to the Assumed Contracts, the Inter-Company Agreement or, to the extent Seller is construed to have any liabilities or obligations thereunder, any such liabilities or obligations of Seller pursuant the HSA Agreement (as defined in the Stock Purchase Agreement); or

(iv) liabilities or obligations arising after the Closing Date pursuant to the terms of this Agreement.

(b) On the Closing Date, the Seller will not have any material liabilities or obligations of any kind whatsoever (whether accrued, contingent, absolute, determined, determinable or otherwise) other than:

(i) trade payables and other accounts payable reflected on the Seller Interim Financial Statements, and those arising thereafter in the ordinary course of business consistent with past practice; and

(ii) liabilities or obligations from and after the Closing Date under the Contracts and the Inter-Company Agreement.

3.8. Absence of Certain Changes or Events. Since December 31, 1997, the Seller, LLF and HSA have made reasonable efforts consistent with past practice to preserve the Business, Seller's, LLF's and HSA's relationships with customers, suppliers, lenders, creditors, employees, contractors and independent contractors, licensors, licensees, distributors and others with whom the Seller, LLF or HSA has a business or financial relationship, and no such Person or group of persons having a material business or financial relationship with the Business or the Seller, LLF or HSA has informed the Seller, LLF or HSA that such Person intends to change or discontinue such relationship, except for such changes or discontinuances as individually or in the aggregate would not have or be reasonably expected to have a Seller Material Adverse Effect. The businesses of Seller, LLF and HSA have been conducted in the ordinary course consistent with past practice, including with respect to the collection of receivables, payment of payables and other liabilities, advertising activities, sales practices (including promotions, discounts and concessions), capital expenditures and inventory levels, and contributions to or accruals to or in respect of Benefit Plans (as defined herein) and there has not occurred with respect to Seller, LLF or HSA:

(a) any event, occurrence or development which, individually or in the aggregate, has had or would reasonably be expected to have a Seller Material Adverse Effect;

(b) any damage, destruction or loss not covered by insurance that would reasonably be expected to have a Seller Material Adverse Effect; provided that any such damage, destruction or loss between the date hereof and the Closing Date shall be subject to Section 5.1 and upon the Seller's giving notice to Buyer of the Seller's election to repair such damage, destruction or loss pursuant to Section 5.1, and such damage, destruction or loss being repaired to Buyer's satisfaction, such damage, destruction or loss shall be deemed not to be a failure of the condition set forth in Section 8.1; provided further that the Seller shall be under no obligation to elect to repair such damage, destruction or loss; or

(c) any action taken by the Seller which, if taken after the date hereof, would constitute a breach of the covenant set forth in Section 5.1.

3.9. Franchises and Licenses.

(a) The Seller does not own, hold or use as the franchisor or licensor any Franchise Agreements or Licenses.

(b) The Seller does not own, hold or use as the franchisee or licensee any Franchise Agreements or Licenses.

3.10. Sufficiency of Assets. Except for the Excluded Assets, the Assets constitute, and on the Closing Date will constitute, all of the assets or property used or held for use by the Seller to conduct the Business as the same is now being conducted. On the Closing Date, the Buyer will have all of the assets or property used or held for use in the Business to conduct such business and operations as the same is now being conducted.

3.11. Assets Other than Real Property Interests.

(a) The Seller has good and valid title to all assets reflected on the December 31, 1997 balance sheets of the Seller included in the Seller Financial Statements, or thereafter acquired, except those sold or otherwise disposed of in the ordinary course of business consistent with past practice and not in violation of this Agreement, in each case free and clear of all Liens of any kind except (i) mechanics', carriers', workmen's, repairmen's or other like Liens arising or incurred in the ordinary course of business consistent with past practice, (ii) Liens which secure debt that is reflected as a liability in the Seller Financial Statements, and (iii) other imperfections of title or encumbrances, if any, which do not, individually or in the aggregate, materially impair the continued use and operation of the assets to which they relate in the Business, as presently conducted (Liens, encumbrances and imperfections of title described in clauses (i) (ii) and (iii) above are hereinafter referred to collectively as "Seller Permitted Liens"). Schedule 1.1(b) sets forth a list of all material personal property owned by Seller and used or held for use in connection with the Business.

(b) All the material tangible assets used, held for use or necessary in the Business (i) have been and are being maintained in accordance with the customary industry practice, (ii) are free from material defects and (iii) are in all material respects in good working condition, reasonable wear and tear and depreciation excepted. All leased personal property used or held for use in on required of such property by the terms of the lease applicable thereto during the term of the lease and upon the expiration thereof.

This Section 3.11 does not relate to Real Property or interests in Real Property, such items being the subject of Section 3.12.

3.12. Title to Real Property. Schedule 1.1(c) sets forth a complete list of all Real Property and interests in Real Property used or held for use in the Business, and which is leased by the Seller (individually, a "Seller Leased Property"). The Seller has, assuming good and adequate title in each lessor of a leasehold estate, good and valid title to the leasehold estates in all Seller Leased Property, in each case free and clear of all Liens and other similar restrictions of any nature whatsoever, except (A) such as are set forth on Schedule 3.12, (B) leases, subleases and similar agreements set forth on Schedule 3.12, (C) Seller Permitted Liens, (D) easements, covenants, rights-of-way and other similar restrictions of record, (E) any conditions that may be shown by a current, accurate survey or readily determined by a physical inspection of any Seller Leased Property made prior to Closing and (F) (1) zoning, building and other similar restrictions, (2) Liens and other similar restrictions that have been placed by any developer, landlord or other third party on rent rights or on any Seller Leased Property and subordination or similar agreements relating thereto, and (3) unrecorded easements, covenants, rights-of-way and other similar restrictions, none of which items set forth in clauses (1), (2) and (3), individually or in the aggregate, materially impair the continued use and operation of the property to which they relate in the Business, as presently conducted. Except as disclosed on Schedule 3.12, to the knowledge of the Seller, the current use by the Seller of the plants, offices and other facilities located on Seller Leased Property does not violate any local zoning or similar land use or government regulations in any material respect (Liens, encumbrances and imperfections of title described in clause (A), (B), (C), (D), (E) and (F) are hereinafter referred to as "Seller Permitted Real Estate Liens"). No condemnation of any material portion of the Seller Leased Properties has occurred; and the Seller has not received any notice related to any future or proposed condemnation of any material portion of the Seller Leased Properties.

3.13. Intellectual Property.

(a) Schedule 1.1(e) sets forth a true and complete list of all material Intellectual Property owned, used, filed by or licensed to the Seller in connection with the Business. With respect to registered trademarks, Schedule 1.1(e) sets forth a list of all jurisdictions in which such trademarks are registered or applied for and all registrations and application numbers. The Seller owns, and the Seller has the right to use, execute, reproduce, display, perform, modify, enhance, distribute, prepare derivative works of and sublicense, without payment to any other person, all Intellectual Property listed in Schedule 1.1(e) and, to the knowledge of the Seller, the consummation of the transactions contemplated hereby will not conflict with, alter or impair any such rights. The Seller has all rights to Intellectual Property which are necessary in connection with the Business as it is presently being conducted.

(b) The Seller has not granted any licenses or contractual rights of any kind relating to Intellectual Property or the marketing or distribution thereof except as provided in the Inter-Company Agreement [and the HSA Agreement]. The Seller is not bound by or a party to any Contracts of any kind relating to the Intellectual Property of

any other Person, and except for agreements relating to computer software licensed to the Seller in the ordinary course of business consistent with past practice. All Intellectual Property is free and clear of the claims of others and of all Liens or encumbrances whatsoever. The conduct of the Business as it is presently being conducted and as it is proposed to be conducted after the Closing as contemplated by the parties does not and will not violate, conflict with or infringe the Intellectual Property of any other Person. No claims are pending, or to the knowledge of the Seller, threatened against the Seller by any Person with respect to the ownership, validity, enforceability, effectiveness or use of any Intellectual Property, and the Seller has not received any communications alleging that the Seller has violated any rights relating to the Intellectual Property of any Person.

3.14. Employees.

(a) Except as described in Schedule 3.14(a), the Seller has no contracts of employment with any employee and the Seller is not a party to or subject to any collective bargaining agreements including with respect to the Business. Schedule 3.14(a) contains a true and complete list of all officers and other employees of Seller as of the date hereof, with job titles and compensation. All officers and other employees of Seller have executed valid and enforceable covenants not to compete.

(b) No employee of the Seller shall be entitled to receive (i) any termination, severance or deferred compensation payment from Buyer, LLF or HSA as a result of the transactions contemplated by this Agreement or (ii) be entitled to any such payment from Buyer, LLF or HSA in the event that any such employee ceases to be employed in the Business upon the Closing. As of the Closing Date, Henderson will no longer be an employee of Seller or LLF, and Henderson shall not be entitled to any termination, severance or deferred compensation payment from Buyer or LLF. Although Henderson may provide consulting services to Buyer pursuant to the provisions of Section 5.14 of this Agreement, Henderson shall not be entitled to any compensation therefor.

(c) Schedule 3.14(c) lists, if any, each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and each other employment, pension, welfare, savings, deferred compensation, severance, termination, holiday, vacation, sick leave, performance, incentive, bonus, insurance, stock option, stock purchase or other equity-based plan, program, arrangement or understanding with respect to which the Seller contributes or has any liability in respect of any present or former employee of the Business (each a "Benefit Plan"). The Seller has made available to Buyer true and complete copies of any Benefit Plan and related trust agreements as in effect on the date hereof and the most recent Form 5500, if any, required to be filed with respect to any such Benefit Plan. No event has occurred since the filing of the most recent Form 5500 required to be filed that will materially increase the cost of any such Benefit Plan. No Benefit Plan is a "multi-employer plan" (within the meaning of Section 3(37) of ERISA) and with respect to the operations of the Business, the Seller is not required to contribute to, nor has the Seller maintained

or contributed to or had an obligation to maintain or contribute to, any such plan within the five full plan years of any such plan immediately prior to the date hereof.

(d) Each Benefit Plan is in compliance in all material respects with all applicable requirements of ERISA, the Code and other applicable law. Each Benefit Plan has been administered in all material respects in accordance with their terms. No Benefit Plan either is a "defined benefit plan" or a "defined contribution plan" (as these terms are used in ERISA). No "reportable event" (as defined in Section 4043 of ERISA), "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary responsibility has occurred with respect to any Benefit Plan which could subject the Business to a material penalty, tax or other liability under ERISA, the Code or applicable law; there is no pending or, to the knowledge of the Seller, threatened claim or litigation by any party with respect to the Benefit Plans, other than routine claims for benefits. The Seller does not have a material actual or contingent liability under Title IV of ERISA and no condition exists that could reasonably be expected to give rise to any such liability.

(e) No Benefit Plan maintained by Seller is a pension plan subject to the requirements of Section 412(a) of the Code.

(f) No employee of the Seller will be entitled to any additional benefits or any acceleration of the time of payment or vesting of any benefits under any Benefit Plan as a result of the transactions contemplated hereby. The deduction of any amount payable under any Benefit Plan shall not be subject to disallowance under Section 280G of the Code.

(g) The Benefit Plans may be amended or terminated after the Closing without material liability to Buyer. The consummation of the transactions contemplated by this Agreement shall not give rise to any material liability with respect to any Benefit Plan. Any Benefit Plan intended to be a qualified plan under Section 401(a) of the Code has been the subject of a determination letter from the Internal Revenue Service (the "IRS") to the effect that such Benefit Plan is qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and no event has occurred that could adversely affect such qualified or exempt status.

3.15. Litigation. Schedule 3.15 sets forth a list of all pending lawsuits or claims with respect to which the Seller has been contacted in writing by counsel for the plaintiff or claimant against or affecting the Business or arising out of the Business. To the knowledge of the Seller, none of the lawsuits or claims listed in Schedule 3.15 as to which there is at least a reasonable possibility of adverse determination would have, if so determined, individually or in the aggregate, a Seller Material Adverse Effect. To the knowledge of the Seller, there are no unasserted or threatened claims of the type that would be required to be disclosed in Schedule 3.15. To the knowledge of the Seller, the Seller is not a party or subject to or in default under any material judgment, order,

injunction or decree of any Governmental Entity or arbitration tribunal applicable to it or the Business. Except as set forth on Schedule 3.15, there is no lawsuit or claim by the Seller pending, or which the Seller intends to initiate, against any other Person. To the knowledge of the Seller, there is no pending or threatened investigation of or affecting the Seller or the Business by any Governmental Entity.

3.16. Brokers. There is no investment banker, broker or finder or other Person who will have any valid claim against the Seller for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by the Seller.

3.17. Contracts. Except for Contracts listed on Schedule 1.1(d), the Seller is not a party to or bound by any Contract relating to or affecting the Business or Seller which is a:

(a) Contract with its agents, suppliers, customers, advertisers, consultants, advisors, sales representatives, distributors, sales agents or dealers other than Contracts which by their terms are cancelable by the Seller with notice of not more than 30 days and without cancellation penalties or severance payments, in the case of any such Contract;

(b) Covenant not to compete (other than pursuant to any radius restriction contained in any lease) or confidentiality agreement;

(c) Contract with any Governmental Entity;

(d) agreement, Contract or other instrument under which the Seller has borrowed any money from, or issued any note, bond, debenture or other evidence of indebtedness to, any Person or any other note, bond, debenture or other evidence of indebtedness issued to any Person;

(e) Contract (including any so-called take-or-pay, cash deficiency or keep well agreement) (A) under which any Person (including Seller) has directly or indirectly guaranteed indebtedness, liabilities or obligations of any of the Seller (except that Henderson has guaranteed certain obligations under certain leases and indebtedness of the Seller); or (B) under which or any of the Seller has directly or indirectly guaranteed indebtedness, liabilities or obligations of any Person, and other than endorsements for the purpose of collection in the ordinary course of business consistent with past practice and including agreements having the effect of a guarantee, whether or not required to be reflected on the Seller's or Business' Financial Statements in accordance with GAAP; or (C) which constitutes a pledge, security agreement, deed of trust, financial statement or other document granting a Lien on any of the Assets (other than Seller Permitted Liens);

(f) Contract under which the Seller has, directly or indirectly, made any advance, loan, extension of credit or capital contribution to, or other investment in, any Person;

(g) Contract under which the Seller is lessee of, or holds or operates, any machinery, equipment, vehicle or other tangible personal property owned by a third party and used in the Business and which entails payments in any 12-month period, in the case of any such Contract, in excess of \$1,000;

(h) Contract or other arrangement with (A) any Affiliate of the Seller or (B) any current or former officer, director or employee, shareholder or with any relative, beneficiary, spouse or Affiliate of any such Person (a "Related Person") of the Business, Seller or any of its respective Affiliates;

(i) Contract for the sale of any assets of the Business (including any capital stock or rights to acquire capital stock of Seller) or the grant of any preferential rights to purchase any portion of the Business or requiring the consent of any party to the transfer thereof or otherwise limiting the Seller's ability to sell any assets of the Business (including any capital stock or rights to acquire capital stock of Seller);

(j) Contract not made in the ordinary course of business consistent with past practice, including any joint venture or partnership arrangement or any agreement relating to any merger or acquisition involving the Seller; or

(k) Contract whether or not made in the ordinary course of business, which is material to the Business or the termination of which would reasonably be expected to have a Seller Material Adverse Effect.

The Seller is not, and to the knowledge of the Seller, no other party is (with or without the lapse of time or the giving of notice or both) in default in any material respect under any Contract, License or instrument. The Seller has made available to Buyer or its Representatives true and complete copies of all Contracts. Each Contract is in full force and effect and constitutes a legal, valid and binding obligation of Seller and is enforceable by Seller in accordance with the Contract terms, and after the Closing Date will be enforceable in accordance with its terms by Buyer. The Seller has not received any written notice of the intention of any party to terminate any Contract. The Contract entitled Exclusive Consulting Agreement between Seller and J. Crayton Pruitt, Sr. M.D. does not in any way limit Seller's right (or limit Buyer's right after the Closing) to engage other physicians to interpret vascular screenings in Florida or any other state.

3.18. Compliance with Laws. The operations of the Business are not now being conducted and, to the knowledge of the Seller, has not been conducted in violation of any applicable law, ordinance, statute, rule or regulation of any Governmental Entity except

for violations which do not and will not, individually or in the aggregate, have or reasonably be expected to have a Seller Material Adverse Effect. The Seller has not received any notice from any Governmental Entity that the operations of the Business are being conducted in violation of any applicable law, ordinance, statute, rule or regulation of any Governmental Entity, or of any investigation or review pending or threatened by any Governmental Entity investigating or reviewing any alleged violation, which violation individually or in the aggregate with all other violations would have or would reasonably be expected to have a Seller Material Adverse Effect. All the Real Property included in the assets of the Business is in compliance with applicable laws, including zoning, land use and building code laws, ordinances and regulations necessary to conduct the operations of the Seller and the Business as presently conducted, and the transactions contemplated by this Agreement could not reasonably be expected to result in the revocation of any permit or variance, except to the extent that any such non-compliance or violation or revocation, individually or in the aggregate, would not have or would not reasonably be expected to have a Seller Material Adverse Effect.

3.19. Environmental Matters.

(a) The Seller is in compliance with all Environmental Laws (as defined herein), except for instances of non-compliance that, individually or in the aggregate, do not or will not have or would not reasonably be expected to result in a Seller Material Adverse Effect. No Lien has attached to any Seller Property or facility of the Business pursuant to any Environmental Laws. There have been no Releases of Hazardous Material, as both terms are defined herein, by the Seller or, to the knowledge of the Seller, by any other Person, in, on, under or affecting any Seller Property or facility of the Business and the Seller has not disposed of any Hazardous Material in a manner that in either case, individually or in the aggregate, could reasonably be expected to result in a Seller Material Adverse Effect. Prior to the period of ownership or operation by the Seller of any Seller Property or facility of the Business, to the knowledge of the Seller, no Hazardous Material was generated, treated, stored, disposed of, used, handled or manufactured at, or transported, shipped or disposed of from, such currently or previously owned properties and, to the knowledge of the Seller, there were no Releases of Hazardous Material in, on, under or affecting any such property. There are no sites, locations or operations for which the Seller has received notice that it is or may be responsible for any remedial or response action, as defined in any Environmental Law, relating to any Release of Hazardous Material.

(b) The Seller has obtained, and is in compliance in all material respects with, all permits, licenses, authorizations, registrations and other governmental consents required by applicable Environmental Laws ("Environmental Permits"). The Seller has not received notice of any civil, criminal or administrative claims or proceedings, pending or threatened, that are based on or related to any Environmental Laws or the failure to comply with any terms and conditions of any Environmental Permits which claims or proceedings of which failure to comply, individually or in the aggregate, would have or reasonably be expected to result in a Seller Material Adverse Effect. To the knowledge of the Seller, (i) there are

no polychlorinated biphenyls ("PCBs") in any container or equipment on, about, under or within any Seller Property or facility of the Business, (ii) there is no asbestos at, on, about, under or within any Seller Property or facility of the Business, and (iii) there are no underground storage tanks, whether in service or closed in place, under any Seller Property or facility of the Business.

(c) The term "Environmental Laws" means laws relating to the contamination, pollution or preservation of the environment or to human health. The term "Release" has the meaning set forth in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. § 9601(22). The term "Hazardous Material" means (1) hazardous materials, pollutants, contaminants, constituents, medical or infectious wastes, hazardous wastes and hazardous substances as those terms are defined in any Environmental Law, (2) petroleum, including crude oil and any byproducts or fractions thereof, (3) natural gas, synthetic gas and any mixtures thereof, (4) asbestos and/or asbestos-containing material, (5) radon and (6) PCBs or materials or fluids containing PCBs.

3.20. Taxes.

(a) For purposes of this Agreement "Taxes" shall mean all Federal, state, local and foreign taxes or similar charges, including all income, franchise, real property, withholding, employment, sales, excise and transfer taxes and any interest and penalties thereon. The Seller has timely filed or caused to be timely filed, or will timely file or cause to be timely filed on or prior to the Closing Date, all Tax returns and Tax reports which are required to be filed (including proper filing extensions) on or prior to the Closing date by Seller or the Business (the "Returns"). All the Returns were or will be, as the case may be, complete and correct in all material respects at the time of filing. All Taxes due and payable with respect to taxable periods covered by the Returns, or with respect to which the Seller or the Business is or might be otherwise be liable (including Taxes which the Seller or the Business may have been required to withhold from amounts owing to any stockholder, employee, creditor or third party), have been, or prior to the Closing Date will be, timely paid. The Seller is not delinquent in the payment of any Tax, or has any Tax deficiencies proposed, assessed, or to the knowledge of the Seller, threatened against it. No Liens for Taxes exist with respect to any assets of the Business.

(b) Schedule 3.20(b) sets forth the tax years through which the Returns have been examined and closed or are returns with respect to which the applicable period for assessment under applicable law, after giving effect to extensions or waivers, has expired. Any deficiencies resulting from any Federal, state, local or foreign audits or examinations of Seller or the Business have been paid in full. There are no present audits, disputes or proceedings as to any Taxes of Seller or the Business. No material issues were raised in writing during any audit, dispute or proceeding of Seller or the Business that might apply to any taxable period subsequent to the taxable period covered by such audit, dispute or proceeding. No power of attorney with respect to Taxes of Seller or the Business

has been filed with any taxing jurisdiction or authority. The Seller has not executed any waiver of the statute of limitations on the assessment or collection of any Tax.

(c) The Seller, and all of its current or former shareholders, have consented to a valid election for its first taxable year or period, which election has not been revoked or terminated or otherwise become ineffective for any subsequent taxable year or period, under Section 1362(a) of the Code, to be taxed as an "S Corporation" under Sections 1361 through 1379 of the Code. The Seller, and all of its current or former shareholders, have consented to a valid election, which election has not been revoked or terminated or otherwise become ineffective, to be taxed in a comparable fashion under comparable state, local or foreign Tax law, for each of the taxable periods by each of the taxing jurisdictions. Seller and the Business do not file, and are not required to file, state or local Tax returns in any states or localities.

(d) Seller is not a party to or bound by any agreement (including any tax sharing agreement), election or extension of the statute of limitations with respect to Taxes. Seller is not and has never been a member of an affiliated, consolidated, combined or unitary group of which any corporation other than LLF and/or HSA is a member.

(e) Seller is not a party to, and none of the assets of Seller or the Business is subject to, any lease made pursuant to Section 168(h)(ii) of the Internal Revenue Code of 1986 as amended (the "Code"). No assets of Seller or the Business is "tax exempt use property" within the meaning of Section 168(h) of the Code.

3.21. Insurance. The Seller maintains policies of fire and casualty, liability and other forms of insurance with respect to the Business in such amounts, with such deductibles and against such risks and losses as are customary in the business in which they are engaged. The insurance policies currently owned and maintained by the Seller are listed in Schedule 3.21.

All such policies are in full force and effect, all premiums due and payable thereon have been paid (other than retroactive or retrospective premium adjustments that are not yet, but may be, required to be paid with respect to any period ending prior to the Closing Date), and no notice of cancellation or termination has been received with respect to any such policy which has not been replaced on substantially similar terms prior to the date of such cancellation. The activities and operations of the Business has been conducted in a manner so as to conform in all material respects to all applicable provisions of such insurance policies.

3.22. Accounts Receivable. All the accounts receivable included in the Business (i) do and on the Closing Date will represent actual indebtedness incurred by the applicable account debtors, (ii) have and on the Closing Date will have arisen in the ordinary course of business consistent with past practice and (iii) are and on the Closing

Date will be subject to no prior assignment, claim, Lien, dispute or unapplied credit of any nature whatsoever other than Seller Permitted Liens.

3.23. Transactions with Affiliates. Except as may be contemplated by the Inter-Company Agreement and the HSA Agreement, (i) none of the Seller Contracts between the Business on the one hand, and Seller or any Affiliates or Related Persons of the Seller, on the other hand, will continue in effect subsequent to the Closing, (ii) after the Closing neither Seller nor any Affiliate or Related Person of the Seller will have any interest in any property (real or personal, tangible or intangible) or Contracts used in or pertaining to the Business, (iii) neither Seller nor any Affiliate or Related Person of the Seller has any direct or indirect ownership interest in any Person in which the Business has any direct or indirect ownership interest or with which the Business competes or has a business relationship, and (iv) neither Seller nor any Affiliates or Related Persons of the Seller provide any services to the Business.

3.24. Disclosure. No statement of Seller contained in this Article 3, or in any certificates delivered by any of the Seller pursuant to Section 1.1(k), Section 2.2(d) and Section 5.1(c) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they are made, not misleading.

3.25. Hart-Scott-Rodino. The transactions contemplated by this Agreement are not subject to the notification and waiting period provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

3.26. Bulk Sales Law. The transactions contemplated by this Agreement are not subject to the provisions of any bulk sales laws in any jurisdiction in which the Seller conducts its Business.

ARTICLE 4.

Representations and Warranties of Buyer

4.1. Corporate Status: Authority. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization. Buyer is duly qualified and in good standing to do business as a foreign corporation in each jurisdiction in which the conduct or nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary, except such jurisdictions where the failure to be so qualified or in good standing, individually or in the aggregate, would not reasonably be expected to have a material adverse effect (i) on the condition (financial or otherwise), business, liabilities, properties, assets, prospects or results of operations of Buyer, taken as a whole, or (ii) on the ability the Buyer to perform its obligations under or to consummate the transactions contemplated by this Agreement (a "Buyer Material Adverse Effect"). Buyer has all requisite corporate power

to carry on its business as it is now being conducted, to own and operate such business and Buyer has all requisite corporate power to enter into this Agreement, to perform its obligations hereunder and to complete the transactions contemplated hereby.

4.2. Corporate Action. All corporate and shareholder actions and proceedings necessary to be taken by or on the part of Buyer in connection with the transactions contemplated by the Buyer Transaction Documents have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes, and each of the other Buyer Transaction Documents will be duly and validly authorized, executed and delivered by Buyer and will constitute, the legal, valid and binding obligations of Buyer, enforceable against it in accordance with and subject to its terms, except as may be limited by bankruptcy or other laws affecting creditors' rights and by equitable principles.

4.3. No Conflicts. Neither the execution, delivery or performance by Buyer of the Buyer Transaction Documents, nor the consummation by Buyer of the transactions contemplated thereby is an event that, by itself or with the giving of notice or the passage of time or both, will (i) conflict with the certificate of incorporation or by-laws, as amended, of Buyer, (ii) constitute a violation of, or conflict with or result in any breach of or any default under, or constitute grounds for termination or acceleration of, any mortgage, indenture, lease, contract, or instrument to which Buyer is a party or by which it is bound, except for such violations, conflicts, breaches, terminations and accelerations as individually or in the aggregate would not have or be reasonably expected to have a Buyer Material Adverse Effect or result in the creation of any material Lien upon any of Buyer's assets such that it is reasonably likely that Buyer will be unable to proceed with the transactions contemplated in this Agreement or (iii) violate (A) any judgment, decree or order or (B) any statute, rule or regulation, in each such case, applicable to Buyer.

4.4. Brokers. There is no investment banker, broker or finder or other Person who will have any valid claim against Buyer for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Buyer.

4.5. Disclosure. No statement of Buyer contained in this Article 4, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they are made, not misleading.

ARTICLE 5.

Covenants of Seller and Henderson

Each of the Seller and Henderson, on a joint and several basis, from the date hereof until the completion of the Closing (or, in the case of Sections 5.5, 5.6, 5.7 and 5.14, until the fifth anniversary of the Closing Date), covenants and agrees as follows:

5.1. Operation of the Business. From the date hereof until the Closing, except as expressly provided otherwise in this Agreement, the Seller shall conduct, or cause to be conducted, the Business and the businesses of Seller in the ordinary course consistent with past practice (including with respect to the collection of receivables, payment of payables and other liabilities, advertising activities, sales practices (including promotions, discounts and concessions), capital expenditures and inventory levels, and contributions to or accruals to or in respect of Benefit Plans). Furthermore, without limiting the generality of the foregoing, until the Closing, the Seller will (i) use reasonable commercial efforts to (A) preserve intact its business organizations and the business organization of the Business, (B) keep available to Buyer the services of the present officers and key employees of the Business and Seller, (C) continue in full force and effect without modification all existing policies or binders of insurance currently maintained in respect of the Business, (D) preserve its current material relationships with customers, suppliers, creditors, employees, licensors, licensees, distributors and others with whom any of the Seller has a material business or financial relationship, (E) safeguard the inventory and personal property of the Business from theft or misappropriation, and (F) maintain the books and records of the Business and Seller in substantially the same manner as presently maintained and (ii) not engage in any practice, take any action, fail to take any action or enter into any transaction that would or would reasonably be expected to result in any of the conditions set forth in Article 8 not being satisfied on the Closing Date. In the event of damage, destruction or loss affecting any assets of the Business between the date hereof and the Closing Date, then Seller may (but shall not be obligated to) prior to the Closing Date elect to repair (or undertake to repair) such damage, destruction or loss at the expense of Seller.

In furtherance and not in limitation of the foregoing, each the Seller and Henderson covenants and agrees that, prior to the Closing, without the prior written consent of Buyer, Seller will not:

(a) make any material change in the business policies or practice of the Business (including any advertising, marketing, pricing, purchasing, personnel or sales policy or practice) except in the ordinary course of business consistent with past practice;

(b) engage in any forward selling or acceleration of customer orders or contracts, any deferral in paying payables, any deferral in making capital expenditures or any delay in any construction or other capital projects, any grant of any discount to

customers other than in the ordinary course of business consistent with past practice or any other changes intended to increase the current income and cash collection of the Business prior to the Closing Date by accelerating revenue that would otherwise be collected after the Closing Date or deferring payment that would otherwise be expected to be made prior to the Closing Date;

(c) declare, set aside or pay any dividend or other distribution with respect to any shares of capital stock of Seller, or repurchase, redeem or otherwise acquire any amount of outstanding shares of capital stock or other equity securities of, or other ownership interests in, Seller;

(d) issue, sell, transfer, pledge, or otherwise dispose of or encumber any shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or acquisition rights of any kind with respect to any shares of, capital stock of any class or series of Seller;

(e) amend any term of any outstanding security of Seller;

(f) incur or assume any indebtedness for borrowed money other than under existing credit facilities in the ordinary course of business consistent with past practice, guarantee, endorse or otherwise incur or assume (whether directly, contingently or otherwise) liability for the obligations of any other Person, other than in the ordinary course of business consistent with past practice;

(g) create or assume any Lien on any material asset of the Business other than Seller Permitted Liens, Seller Permitted Real Estate Liens, and Liens incurred under existing credit facilities or in the ordinary course of business consistent with past practice;

(h) make any loan, advance (other than to employees for business expenses, consistent with past practice) or capital contribution to or investment in any Person;

(i) enter into any Contract relating to any acquisition or disposition of, or the lease, mortgage or pledge of, any assets or business of any Person, except in the ordinary course of business consistent with past practice or as required to comply with Section 5.1(o) hereof, or agree to any modification, amendment, assignment, termination or relinquishment of any Contract, License or other right (including any insurance policy naming it as a beneficiary or a loss payable payee) that would have or reasonably be expected to have a Seller Material Adverse Effect, other than in the ordinary course of business consistent with past practice and those contemplated by this Agreement;

(j) change any method of accounting or accounting principles or practice relating to the Business except for any such change required by reason of a change in GAAP;

(k) make or change any Tax election, change any annual Tax accounting period, adopt or change any method of Tax accounting, file any amended return, enter into any closing agreement, settle any Tax claim or assessment, surrender any right to claim a Tax refund, fail to make any Tax payments or consent to extend or waive the limitations period applicable to any Tax claim or assessment;

(l) grant any severance or termination pay to any director, officer or employee of the Business or Seller, (x) enter into any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any director, officer or other employee of the Business or Seller, (y) increase benefits payable under any existing severance or termination pay policies or employment agreements, or (z) increase compensation, bonuses or other benefits payable to directors, officers or employees of the Business or Seller;

(m) adopt any changes to the articles of incorporation or by-laws of Seller except to change Seller's corporate name;

(n) adopt any plan or agreement of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other material reorganization of the Business or Seller;

(o) fail to make any material capital expenditures necessary to maintain the existing business of the Seller;

(p) enter into any Contract or transaction with any Affiliate or Related Person of the Seller;

(q) enter into or amend any Benefit Plan other than as required by law;
or

(r) agree in writing or otherwise to take any of the actions specified in this Section 5.1.

5.2. Consents. The Seller shall obtain or cause to be obtained prior to the Closing Date any necessary consents or approvals from any Person to the execution, delivery or performance by the Seller of this Agreement or the Seller Transaction Documents or the consummation by the Seller of the transactions contemplated herein, including the assignment (directly or indirectly) to Buyer of any Asset and including any consents or approvals required by any Person, including any parties to any of the Contracts, Franchise Agreements or Licenses which may be necessary under any of such Contracts, Franchise

Agreements, Licenses or other instruments and rights of the Seller included in the Business that requires the consent of any third party by reason of the transactions provided for in this Agreement (collectively the "Consents"). Notwithstanding the foregoing, in the event not all of the Consents have been obtained by Seller as of the Closing Date, Buyer may allow Seller to defer obtaining and delivering such Consents until after the Closing; in such event, Buyer may assist Seller in obtaining deferred Consents, and whether or not Buyer so assists Seller, Henderson and Seller agree to indemnify Buyer as provided in Section 9.2(a) and to reimburse Buyer for its costs and expenses in assisting with obtaining any deferred Consents.

5.3. Notice of Proceedings. The Seller will promptly notify Buyer telephonically and in writing upon the Seller's (i) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder or (ii) receiving any notice from any Governmental Entity of its intention (a) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions or (b) to nullify or render ineffective this Agreement or such transactions if consummated.

5.4. No Solicitation. From the date of this Agreement through the Closing Date or the earlier termination of this Agreement in accordance with its terms, the Seller shall not, nor shall the Seller authorize or permit, any Representative of the Seller to, directly or indirectly solicit, initiate, encourage or participate in any discussions or negotiations with, or furnish any information or assistance to, or afford access to the properties, books and records or employees of the Business to, any Person or group (other than Buyer or its Representatives) concerning any merger, sale of securities, sale of substantial assets or similar transaction involving the Seller. Without limiting the foregoing, it is understood that any violation of the restrictions set forth in the preceding sentence by Seller, or any Representative of Seller whether or not such Person is purporting to act on behalf of Seller, shall be deemed to be a breach of this Section 5.4 by Seller.

5.5. Covenant Not to Compete.

(a) Seller and Henderson covenant and agree that for a period of five (5) years after the Closing Date, and within the United States of America, neither Seller nor Henderson nor any of their Affiliates or Related Parties will individually or on behalf of, or in conjunction with any other Person or entity, directly or indirectly, own, manage, operate, control, loan money to, invest or participate in, be connected in any manner with the ownership, management, operation, or control of, or be employed by, any corporation, partnership, limited liability company, proprietorship or other business entity, which is engaged in a business in competition with or similar to the Business engaged in by Buyer. For purposes of this Agreement a business exclusively engaged in the development of "C.T. Scan Technology" shall not be considered to violate the above covenant. As used herein, "C.T. Scan Technology" shall mean and be limited to a mobile computed tomography

scanning device that is an X-Ray process (i.e., one admitting radiation) to visualize the heart for purposes of a cardiac screening of the coronary arteries to determine arterial diseases or other heart problems. Moreover, for purposes of this Agreement, Henderson's ownership in HSA and the conduct by HSA of its current business shall not be deemed to violate the above covenant, provided that such business operations do not infringe upon, conflict with or compete with the rights of current franchisees of LLF to conduct similar business operations in their franchise territories pursuant to the terms of their respective Franchise Agreements.

(b) Buyer and Seller intend and agree that the covenant contained in this Section 5.5 shall be enforceable to the fullest extent permitted by law. In the event that any of the provisions of this Section 5.5 shall ever be held to exceed the time, scope, breadth or geographic limitation permitted by applicable law, it is hereby declared to be the intention of the parties that such provision be reformed to reflect the maximum time, scope and geographic limitations that are permitted by such law.

5.6. No Solicitation of Employees. For a period of five (5) years after the Closing Date, neither Seller nor Henderson nor any of its Affiliates or Related Parties will directly or indirectly, solicit for hire any employee of Buyer, LLF or HSA without the prior written consent of Buyer.

5.7. Confidential Information and Trade Secrets. Prior to the Closing Date and for a period of five (5) years after the Closing Date of this Agreement, neither Seller nor Henderson nor any of their Affiliates or Related Parties will directly or indirectly, disclose to others, use, copy or permit to be copied, any Confidential Information or Trade Secrets of Seller, LLF, HSA or their Affiliates without Buyer's prior written consent. Seller agrees to deliver to Buyer at the Closing all proprietary information in the possession, custody or control of Seller or LLF, including documents which contain any Confidential Information or Trade Secrets and including those which are related in any manner to the past, present or anticipated business of Seller, LLF or HSA and their Affiliates. Notwithstanding the foregoing provisions of this Section 5.7, Seller and Henderson (as an officer, director, shareholder and employee of HSA) shall have the right to use Confidential Information and Trade Secrets of HSA in conducting the ordinary business operations of HSA.

5.8. Material Inducement and Remedies. The covenants contained in Sections 5.5, 5.6 and 5.7 are material inducements to Buyer in its acquisition of the Assets, and acquisition of the Stock under the Stock Purchase Agreement. The Purchase Price being paid by Buyer to Seller is paid in consideration not only of the Stock and the Assets, but also in consideration of those covenants. It is the intention of Buyer to endeavor to expand the Business into all areas of the United States of America. Accordingly, Buyer would not proceed to consummate the transactions contemplated by this Agreement and the Stock Purchase Agreement but for Seller's covenants set forth in Sections 5.5, 5.6 and 5.7 (and similar covenants set forth in the Stock Purchase Agreement). Seller acknowledges

that a remedy at law for any breach or threatened breach of the provisions of Sections 5.5, 5.6 and 5.7 may be inadequate and Seller therefore agrees that Purchaser shall be entitled to injunctive relief (without posting any bond) of any such breach or threatened breach. Buyer shall additionally be entitled to liquidated damages from Seller and Henderson, jointly and severally, for violation of the covenants set out in Sections 5.5 and 5.7 in the amount of seven million five hundred thousand (\$7,500,000), plus any attorneys' fees or costs incurred in enforcing such covenants. The parties acknowledge that such liquidated damages amount greatly exceeds the portion of the Purchase Price which is being allocated to the covenants not to compete in this Agreement and in the Stock Purchase Agreement, but agree notwithstanding such allocation that the foregoing liquidated damages amount represents the reasonable and necessary amount to compensate Buyer for a violation of the covenants set out in Sections 5.5 and 5.7.

5.9. Access to Facilities, Files and Records. At the reasonable request of Buyer and upon reasonable advance notice, the Seller will give or cause to be given to the authorized Representatives of Buyer (i) full access to all facilities, management personnel, property, franchise agreements, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, logs, records and files of every character, equipment, machinery, fixtures, furniture, vehicles and notes and accounts payable and receivable and (ii) all such other information as Buyer may reasonably request.

5.10. Advice of Changes. Seller will give written notice to the Buyer promptly upon its learning of (i) the occurrence of any event that would or would be reasonably expected to cause or constitute a material breach had such event occurred or been known to Seller prior to the date hereof, of any of such party's representations or warranties contained in this Agreement or in any disclosure schedule to this Agreement or of a Seller Material Adverse Effect, as the case may be, or (ii) any attempted unionization of employees of such party.

5.11. Consummation of Agreement. Subject to the provisions of Section 11.1 of this Agreement, Seller hereto will use all reasonable efforts to fulfill and perform all conditions and obligations required on its part to be fulfilled and performed under this Agreement, and to cause the transactions contemplated by this Agreement to be carried out.

5.12. Change Corporate Name. Seller will change its name to a name approved by Buyer and co-operate with Buyer in allowing Buyer to use the corporate name of "Life Line Screening" and derivations thereof in all applicable jurisdictions.

5.13. Interim Financial Statements. Seller shall deliver to Buyer on or prior to three (3) business days prior to Closing, or weekly, as the case may be, a weekly statement of Cash on Hand and the unaudited balance sheet of Seller as of April 30, 1998, and the unaudited statements of income and cash flow of Seller for the period then ended, together

with the notes to such interim financial statements (collectively, the "Interim Financial Statements").

5.14. Consultation by Henderson For a period of five (5) years after the Closing Date, upon the reasonable request of Buyer from time to time Henderson agrees to consult with and assist Buyer concerning matters involving the Assets and the Business, provided that Henderson shall not be required to devote any substantial amount of her time with respect to such consultation or assistance.

ARTICLE 6.

Covenants of Buyer

Buyer, from the date hereof until the completion of the Closing (or in the case of Section 6.2, until the Franchise Agreements terminate), covenants and agrees as follows:

6.1. Delivery of Purchase Price. Buyer shall deliver at closing the cash consideration and Notes as provided in Section 1.4 of this Agreement, unless it is earlier terminated in accordance with Section 11.1.

6.2. Assumption of Liabilities. On the Closing Date, Buyer will be responsible for fulfilling Seller's obligations with respect to the Assumed Liabilities.

ARTICLE 7.

Conditions to the Obligations of Seller

The obligations of the Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by the Seller in writing) of the following conditions:

7.1. No Buyer Material Adverse Effect. Representations and Warranties and Covenants.

(a) No event or events shall have occurred since the date of this Agreement which, individually or in the aggregate, has had or is reasonably likely to result in a Buyer Material Adverse Effect.

(b) Buyer shall have performed in all material respects all of its obligations and complied in all material respects with all of its covenants hereunder required to be performed or complied with by it at or prior to the Closing and the representations and warranties of Buyer contained in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the Closing Date, as if made at and as of such date, except

for those representations and warranties that address matters only as of a particular date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such date).

7.2. Proceedings. Neither the Seller nor Buyer shall (a) be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby and (b) have received written notice from any Governmental Entity of its intention to institute any action or proceeding seeking to restrain, enjoin or nullify this Agreement or the transactions contemplated hereby.

7.3. Deliveries. Buyer shall have complied with each and every one of its obligations set forth in Section 2.3.

7.4. Stock Purchase Agreement Closing. The transactions contemplated by the Stock Purchase Agreement shall close contemporaneously with the Closing of the transactions contemplated by this Agreement.

ARTICLE 8.

Conditions to the Obligations of Buyer

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver by Buyer in writing) of the following conditions:

8.1. No Seller Material Adverse Effect: Representations, Warranties and Covenants.

(a) No event or events shall have occurred since the date of this Agreement, including, without limitation, an adverse change in the financial condition of Seller from the condition reflected in the Seller Financial Statements which, individually or in the aggregate, has had or is reasonably likely to result in a Seller Material Adverse Effect.

(b) The Seller and Henderson shall each have performed in all material respects all of its obligations and complied in all material respects with all of its covenants hereunder required to be performed or complied with by it at or prior to the Closing and the representations and warranties of the Seller contained in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the Closing Date, as if made at and as of such date, except for those representations and warranties that address matters only as of a particular date (in which case such representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of such date).

8.2. Proceedings. Neither the Seller nor Buyer shall (a) be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby and (b) have received written notice from any Governmental Entity of its intention to institute any action or proceeding seeking to restrain, enjoin or nullify this Agreement or the transactions contemplated hereby.

8.3. Deliveries. The Seller and Henderson shall each have complied with each and every one of its obligations set forth in Section 2.2.

8.4. Stock Purchase Agreement Closing. The transactions contemplated by the Stock Purchase Agreement shall close contemporaneously with the Closing of the transactions contemplated by this Agreement.

ARTICLE 9.

Survival of Representations and Warranties; Indemnification

9.1. Survival. All representations and warranties contained in this Agreement or in any Schedule, Exhibit, certificate, agreement, document or statement delivered pursuant hereto shall survive the Closing Date for a period of five years.

9.2. Indemnification. From and after the Closing, the parties shall indemnify each as set forth below.

(a) Indemnification by Seller and Henderson. Seller and Henderson jointly and severally shall indemnify, defend and hold and save Buyer and Buyer's Representatives harmless from and against any loss, liability, claim, demand, cause of action, judgment, damage or expense (including reasonable legal fees and expenses) suffered or incurred by or are the legal responsibility of any such indemnified party (other than any relating to Taxes, for which indemnification provisions are set forth in Section 10.1) arising from, relating to or otherwise in respect of (i) any breach of any covenant of Seller or Henderson contained in this Agreement, (ii) all Excluded Liabilities, (iii) all obligations and liabilities of Seller of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than any such liabilities or obligations disclosed in Section 3.7(b), (iv) the failure of Seller to deliver to Buyer the Consents on or before the Closing Date, (v) the pending lawsuits or claims listed in Schedule 3.15, (vi) the unenforceability of any covenants not to compete executed for the benefit of Seller or LLF, (vii) the failure of Seller to have obtained enforceable covenants not to compete from its employees, consultants and independent contractors, (viii) any inaccuracy in the Financial Statements or the Interim Financial Statements, or (xi) any representations or warranties of Seller or Henderson contained in this Agreement being breached or otherwise proven to be untrue in any material respect.

(b) Indemnification by Buyer. Buyer shall indemnify, defend and hold and save Seller and Seller's Representatives harmless from and against any loss, liability, claim, demand, cause of action, judgment, damage or expense (including reasonable legal fees and expenses) suffered or incurred by or are the legal responsibility of any such indemnified party, arising from, relating to or otherwise in respect of (i) any breach of any covenant of Buyer contained in this Agreement, (ii) all Assumed Liabilities or (iii) any representations or warranties of Buyer contained in this Agreement being breached or otherwise proven to be untrue in any material respect.

(c) Losses Net of Insurance, etc. The amount of any loss, liability, claim, damage, expense or Tax for which indemnification is provided under this Article 9 shall be net of any amounts recovered by the indemnified party under insurance policies with respect to such loss, liability, claim, damage, demand, cause of action, judgment, demand, cause of action, judgment, expense or Tax (collectively, a "Loss") and shall be (i) increased to take account of any net Tax cost incurred by the indemnified party arising from the receipt or accrual of indemnity payments hereunder (grossed up for such increase) and (ii) reduced to take account of any net Tax benefit realized by the indemnified party arising from the deductibility of any such Loss. In computing the amount of any such Tax cost or Tax benefit, the indemnified party shall be deemed to recognize all other items of income, gain, loss, deduction or credit before recognizing any item arising from the receipt or accrual of any indemnity payment hereunder or the deductibility of any indemnified Loss. Any indemnification payment hereunder shall initially be made without regard to this paragraph and shall be increased or reduced to reflect any such net Tax cost (including gross-up) or net Tax benefit only after the indemnified party has actually realized such cost or benefit. For purposes of this Agreement, an indemnified party shall be deemed to have "actually realized" a net Tax cost or a net Tax benefit to the extent that, and at such time as, the amount of Taxes payable by such indemnified party is increased above or reduced below, as the case may be, the amount of Taxes that such indemnified party would be required to pay but for the receipt or accrual of the indemnity payment or the deductibility of such Loss, as the case may be. The amount of any increase or reduction hereunder shall be adjusted to reflect any final determination (which shall include the execution of Form 870-AD or successor form) with respect to the indemnified party's liability for Taxes and payments between Seller and Buyer to reflect such adjustment shall be made if necessary. Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes, unless a final determination (which shall include the execution of a Form 870-AD or successor form) with respect to the indemnified party or any of its affiliates causes any such payment not to be treated as an adjustment to the Purchase Price for federal income Tax purposes.

(d) Procedures Relating to Indemnification under Article 9. In order for a party (the "indemnified party") to be entitled to any indemnification provided for under this Agreement (other than under Article 10) in respect of, arising out of or involving a claim or demand made by any Person (other than the indemnifying person) against the indemnified party (a "Third Party Claim"), such indemnified party must notify the

indemnifying party in writing, and in reasonable detail, of the Third Party Claim within ten (10) business days after receipt by such indemnified party of written notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the indemnifying party shall have been actually prejudiced as a result of such failure (except that the indemnifying party shall not be liable for any expenses incurred during the period in which the indemnified party failed to give such notice). Thereafter, the indemnified party shall deliver to the indemnifying party, within five (5) business days after the indemnified party's receipt thereof, copies of all notices and documents (including court papers) received by the indemnified party relating to the Third Party Claim.

If a Third Party Claim is made against an indemnified party, the indemnifying party shall be entitled to participate in the defense thereof and, if it so chooses and acknowledges its obligation to indemnify the indemnified party therefor, to assume the defense thereof with counsel selected by the indemnifying party; provided that such counsel is not reasonably objected to by the indemnified party. Should the indemnifying party so elect to assume the defense of a Third Party Claim, the indemnifying party shall not be liable to the indemnified party for legal expenses subsequently incurred by the indemnified party in connection with the defense thereof. If the indemnifying party assumes such defense, the indemnified party shall have the right to separate counsel (not reasonably objected to by the indemnifying party), at its own expense, separate from the counsel employed by the indemnifying party, it being understood that the indemnifying party shall control such defense. The indemnifying party shall be liable for the fees and expenses of counsel employed by the indemnified party for any period during which the indemnifying party has failed to assume the defense of the Third Party Claim (other than during the period prior to the time the indemnified party shall have given notice of the Third Party Claim as provided above).

If the indemnifying party so elects to assume the defense of any Third Party Claim, all of the indemnified parties shall cooperate with the indemnifying party in the defense or prosecution thereof. Such cooperation shall include the retention and (upon the indemnifying party's request) the provision to the indemnifying party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the indemnifying party shall have assumed the defense of a Third Party Claim, the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the indemnified party's prior written consent (which consent shall not be unreasonably withheld). If the indemnifying party shall have assumed the defense of a Third Party Claim, the indemnified party [shall] agree to any settlement, compromise or discharge of Third Party Claim which the indemnifying party may recommend and which by its terms obligates the indemnifying party to pay the full amount of the liability in connection with such Third Party Claim, which releases the indemnified party completely

in connection with such Third Party Claim and which would not otherwise adversely affect the indemnified party.

Notwithstanding the foregoing, the indemnifying party shall not be entitled to assume the defense of any Third Party Claim (and shall be liable for the reasonable fees and expenses of counsel incurred by the indemnified party in defending such Third Party Claim) if the Third Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the indemnified party which the indemnified party reasonably determines, after conferring with its outside counsel, cannot be separated from any related claim for money damages. If such equitable relief or other relief portion of the Third Party Claim can be so separated from that for money damages, the indemnifying party shall be entitled to assume the defense of the portion relating to money damages.

(e) Other Claims. In the event any indemnified party should have a claim against any indemnifying party under Section 9.2(a) or 9.2(b) that does not involve a Third Party Claim being asserted against or sought to be collected from such indemnified party, the indemnified party shall deliver notice of such claim with reasonable promptness to the indemnifying party. The failure by any indemnified party so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to such indemnified party under Section 9.2(a) or 9.2(b), except to the extent that the indemnifying party demonstrates that it has been materially prejudiced by such failure. If the indemnifying party does not notify the indemnified party within 10 business days following its receipt of such notice that the indemnifying party disputes its liability to the indemnified party under Section 9.2(a) or 9.2(b), such claim specified by the indemnified party in such notice shall be conclusively deemed a liability of the indemnifying party under Section 9.2(a) or 9.2(b) and the indemnifying party shall pay the amount of such liability to the indemnified party on demand or, in the case of any notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of such claim (or such portion thereof) becomes finally determined. If the indemnifying party has timely disputed its liability with respect to such claim, as provided above, the indemnifying party and the indemnified party shall proceed in good faith to negotiate a resolution of such dispute, and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of competent jurisdiction.

(f) Mitigation. Buyer and Seller shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder, including by making commercially reasonable efforts to mitigate or resolve any such claim or liability; provided that such party shall not be required to make such efforts if they would be detrimental in any material respect to such party. In the event that Buyer or Seller shall fail to make such commercially reasonable efforts to mitigate or resolve any claim or liability, then (unless the proviso to the foregoing covenant shall be applicable) notwithstanding anything else to the contrary contained herein, the other party shall not be required to indemnify any Person for any

loss, liability, claim, damage or expense that could reasonably be expected to have been avoided if Buyer or Seller, as the case may be, had made such efforts.

ARTICLE 10.

Tax-Related Matters

10.1. Tax Indemnification. Seller and Henderson jointly and severally, shall indemnify and hold harmless Buyer and its respective affiliates from (i) all liability for Taxes of Seller for all taxable periods ending on or before the Closing Date and the portion of any taxable period ending on the Closing Date where the taxable period includes (but does not end on) the Closing Date (the "Tax Indemnification Period"), (ii) (A) all liability (as a result of Treasury Regulation §1.1502-6(a) or otherwise) for Taxes of any person which is or has ever been affiliated with Seller or with whom Seller has ever joined (or has ever been required to join) in filing any consolidated, combined, unitary or aggregate return, or with respect to which the Business is a transferee or a successor, (iii) any loss, liability, claim, damage or expense attributable to any breach of any warranty or representation contained in Section 3.20 (relating to Taxes), or any breach by the Seller of any covenant contained in this Article 10 (relating to Taxes), (iv) all liability for Taxes arising (directly or indirectly) as a result of or otherwise attributable to the sale of the Assets or otherwise in connection with this Agreement or the transactions contemplated hereby, and (v) all liability for reasonable legal, accounting, appraisal, consulting or similar fees and expenses attributable to any item in clauses (i) through (iv) above.

In the case of any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"):

(i) real, personal and intangible property Taxes ("Property Taxes") of the Assets for the Straddle Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the entire Straddle Period; and

(ii) the Taxes of Seller (other than property Taxes) for the Pre-Closing Tax Period shall be computed as if such taxable period ended as of the close of business on the Closing Date.

10.2. Transfer Taxes, Etc. All transfer, documentary, sales, use, registration and other such Taxes (including all applicable real estate transfer or gains Taxes and stock transfer and sales Taxes) and the related fees (including any penalties, interests and additions to Tax) incurred in connection with the sale of the Assets or otherwise in connection with this Agreement or the transactions contemplated hereby shall be paid by

Seller. Seller and Buyer shall cooperate in timely preparing and filing all Returns as may be required to comply with the provisions of such Tax laws.

10.3. Tax Certificate. Seller shall deliver to Buyer at the Closing a duly executed and acknowledged certificate, in form and substance acceptable to Buyer and in compliance with the Code and Treasury Regulations, certifying such facts as to establish that the sale of the Assets and any other transactions contemplated hereby are each exempt from withholding under Section 1445 of the Code.

10.4. Access to Books and Records. After the Closing Date, each party shall, upon the request of the other party, in connection with the preparation by either party of Tax contests involving the transactions contemplated by this Agreement or the Seller Benefit Plans and for such other purposes as either party shall reasonably request: (i) provide to the officers and other authorized Representatives of the requesting party full access, during normal business hours upon reasonable advance notice, to any and all premises, properties, files, books, records, documents and other information regarding to the controversy, (ii) cause its officers to (and in the case of Henderson, Henderson will) furnish to the requesting party and its authorized Representatives any and all relevant financial, technical and operating data and other information pertaining to the controversy, (iii) make available to the requesting party and its authorized Representatives personnel to consult with such Persons, and (iv) make available for inspection and copying by the requesting party at such party's expense true and complete copies of any documents relating to the foregoing. Any information obtained by either party pursuant to this Section 10.4 relating to the operations of the other party or parties hereto after or prior to the Closing shall be held confidential by the requesting party to the same extent as the requesting party is required to keep information confidential. In exercising their rights under the foregoing provisions of this Section 10.4, the requesting party and its Representatives shall not interfere with the other party's normal operations.

10.5. Survival. Notwithstanding any other provision in this Agreement, this Article 10 shall survive the Closing Date and remain in force until the expiration of the relevant statutes of limitation (including all periods of extension, whether automatic or permissive).

ARTICLE 11.

Miscellaneous

11.1. Termination of Agreement. This Agreement may be terminated at any time on or prior to the Closing Date by Buyer, if Buyer has determined that (i) a material change in the Business or financial condition of Seller has occurred since December 31, 1997 or such other matter has arisen that effects the value of the Assets adversely, (ii) Seller has breached any of the covenants contained in this Agreement or (iii) any of the representations or warranties of Seller contained in this Agreement are untrue in any

material respect. Except as provided in the preceding sentence or as contemplated by Section 2.1, if the transactions contemplated by this Agreement fail to close on or before May 22, 1998 through no fault of the Buyer, this Agreement shall terminate at 11:59 p.m. Eastern time on May 22, 1998.

11.2. Liabilities Upon Termination. Except for the obligations contained in Sections 11.3 and 11.14 hereof, which shall survive any termination of this Agreement, and except as provided in the next sentence of this Section 11.2, upon the termination of this Agreement pursuant to Section 11.1 hereof, this Agreement shall forthwith become null and void, and no party hereto or any of its officers, directors, employees, agents, consultants or stockholders, shall have any rights, liabilities or obligations hereunder or with respect hereto. If this Agreement is terminated by Buyer pursuant to of Section 11.1 (i), (ii) or (iii) then Seller shall forthwith credit to amounts due to LLF from Buyer pursuant to one or more of the Franchise Agreements between LLF and Screening Partners LLC or its Affiliate, the Earnest Money (and any interest or earnings thereon).

11.3. Expenses. Each party hereto shall bear all its expenses incurred in connection with the transactions contemplated in this Agreement, including accounting, legal and financial advisory fees incurred in connection herewith; provided, however that the Seller shall pay any sales or transfer taxes arising from the transfer of the Assets to Buyer.

11.4. Assignments. No party hereto may assign any of its rights or delegate any of its duties hereunder without the prior written consent of the other parties, and any such attempted assignment or delegation without such consent shall be void, except that Buyer may assign any or all of its rights (but not its obligations) hereunder to Buyer's Affiliate.

11.5. Further Assurances. From time to time prior to, at and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party, being advised by counsel, shall reasonably request in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement, including the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby.

11.6. Notices. Notices and other communications provided for herein shall be in writing (which shall include notice by facsimile transmission) and shall be delivered or mailed (or if by facsimile communications equipment of the sending party hereto, delivered by such equipment), addressed as follows:

If to the Seller or Henderson:

Ms. M. J. Henderson
Life Line Screening, Inc.
2401 West Bay, Suite 125
Largo, Florida 34640

Telephone No.: (813) 587-6690
Facsimile No.: (813) 593-2917

with a copy to:

J. Gerard Correa, P.A.
275 96th Ave. N., Unit 6
St. Petersburg, FL 33701-2623

Telephone No.: (813) 577-9876
Facsimile No.: (813) 576-8513

If to Buyer:

c/o Mr. Steve Scott and Mr. Stuart Scott
808 Travis, Suite 1550
Houston, Texas 77002

Telephone No.: (713) 961-3910
Facsimile No.: (713) 961-3920

with a copy to:

Mr. Taylor V. Cooksey
Singleton & Cooksey, P.C.
1600 Smith Street, Suite 4500
Houston, Texas 77002

Telephone No.: (713) 651-0175
Facsimile No.: (713) 651-0251

or to such other address as a party may from time to time designate in writing in accordance with this Section 11.6. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

11.7. Right of Offset. The Buyer shall have the right to set off against any amounts due from it to Seller pursuant to the terms of this Agreement, the sum of any other amounts which may then be due from Seller or Henderson to Buyer.

11.8. Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

11.9. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

11.10. Waiver of Provisions. The terms, covenants, representations, warranties and conditions of this Agreement may be amended, modified or waived only by a written instrument executed by the party sought to be bound thereby. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

11.11. Counterparts. This Agreement may be executed in several counterparts, and all counterparts so executed shall constitute one agreement, binding on the parties hereto, notwithstanding that the parties are not signatory to the same counterpart.

11.12. Entire Agreement. This Agreement, including the Schedules, Exhibits and Annexes hereto, constitute the entire Agreement between the parties and supersede and cancel any and all prior agreements between them relating to the subject matter hereof.

11.13. Submission to Jurisdiction, Waivers. The Seller hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition of the enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of Texas, the courts of the United States of America located in the State of Texas and appellate courts from any of the foregoing;

(b) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; and

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address as provided in Section 11.6 hereof.

11.14. Brokers or Finders. Each party agrees to indemnify and hold the other harmless from and against any and all claims, liabilities, or obligations with respect to any

other fees, commissions or expenses asserted by any Person on the basis of any act or statement alleged to have been made by the other party or its Affiliates.

11.15. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the term and provisions of this Agreement in any courts of the State of Texas or any courts of the United States of America located in the State of Texas, in addition to any other remedy to which they are entitled at law or in equity.

11.16. No Third Party Beneficiaries. This Agreement is not intended to confer upon any Person other than the parties hereto and their respective successors and assigns any rights or remedies hereunder.

11.17. Definitions; Construction.

(a) As used herein, the following terms shall have the following meanings:

"Affiliate" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under the direct or indirect common control with such specified Person.

"Confidential Information" means the secret or confidential information or know how of LLS, LLF and/or HSA and their Affiliates, comprised of or contained in quotations, binders, policies, customer lists, client records, claims records, policies and procedures, computer programs, financial information, medical or research studies, business philosophy, methods of business operations, marketing plans, servicing methods, and other propriety data and information of LLS, LLF and/or HSA.

"Person" means an individual, a corporation, a limited liability company, a partnership, a Joint venture, a business association, a trust or any other entity or organization, including a Governmental Entity.

"Representative" when used with respect to any Person means any directors, officers, employees, stockholders, agents or representatives (including attorneys, accountants, consultants, banks and financial advisors) of such Person.

"Trade Secrets" as used herein means the whole or any portion or phase of any scientific or technical information, design, process, procedure, compilation of information, formula, or information that is valuable and not generally known to competitors.

(b) The definitions in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and exhibits and Schedules to, this Agreement unless the context shall otherwise require.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

BUYER:

LIFE LINE SCREENING CORPORATION

By: *Frank Scott*
Name: FRANK SCOTT
Title: PRESIDENT

SELLER:

LIFE LINE SCREENING, INC.

By: *Mary Jo Henderson*
Name: MARY JO HENDERSON
Title: PRESIDENT

Mary Jo Henderson
MARY JO HENDERSON

Asset Purchase Agreement

Schedule 1.1(a)

LICENSES, PERMITS AND AUTHORIZATIONS

1. Certificate of Authority issued by the Corporate Division of the Secretary of State's office in the State of Missouri to LIFE LINE SCREENING, INC. for it to transact business within the State of Missouri, dated March 11, 1998.
2. Application for Certificate of Authority with the Secretary of State's Office in the State of Iowa, dated January 26, 1998, authorizing LIFE LINE SCREENING, INC. to transact business within the State of Iowa.
3. Certificate of Authority issued by the Secretary of State's Office in the State of Indiana, effective April 15, 1998, authorizing LIFE LINE SCREENING, INC. to transact business in the State of Indiana.
4. Certificate of Authority issued by the Corporations Division of the Secretary of State's Office in the State of Georgia, dated February 3, 1998, authorizing LIFE LINE SCREENING, INC. to transact business in the State of Georgia.
5. Certificate of Authority issued by the Office of the Secretary of State in the State of Kansas, effective April 24, 1998 authorizing LIFE LINE SCREENING, INC. to transact business in the State of Kansas.
6. Assignment of Nebraska Corporate Income Tax Identification Number #24-7931182.

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Asset Purchase Agreement

Schedule 1.1(b)

LIST OF TANGIBLE PERSONAL PROPERTY

LEASED EQUIPMENT

- (1) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00218; One (1) Linear PV Steered Probe, Serial No: M00187; One (1) Sony B/W Printer, Serial No: 50793.
- (2) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00216; One (1) Linear PV Steered Probe, Serial No: M00126; One (1) Sony B/W Printer, Serial No: 50791.
- (3) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00217; One (1) Linear PV Steered Probe, Serial No: M00186; One (1) Sony B/W Printer, Serial No: 50792.
- (4) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Serial No: M 00326, Model No: SSD-1700; One (1) Linear PV Steered Probe, Serial No: M 00188; One (1) Sony B/W Printer, Serial No: 50794.
- (5) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00327; One (1) Linear PV Steered Probe, Serial No: 7011465; One (1) Sony B/W Printer, Serial No: 50797.
- (6) One (1) Toshiba Model 6550, Serial Number EJ-623764 along with One (1) Twenty (20) Bin Sorter/Stapler.
- (7) Four (4) ATL Apogee CX Colorflow Echocardiography System with accessories.
- (8) One (1) Compaq Desk Pro Signia 200 Computer with accessories; Ten (10) Compaq Desk Pro 2000 Computers with accessories; (1) Hewlett Packard Laser Jet Printer with accessories, and related software programs.
- (9) One (1) Canon 6650 II Copier.
- (10) One (1) Canon 6050 Copier with accompanying stapler/sorter and One (1) Konica Copier with stapler/sorter.
- (11) One (1) IDS System 108, Telephone System with Twenty-two (22) Model 32 Telephones and related accessories and software.

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Life Line Screening, Inc. Inventory List (Suite 125 & 122)

Mary Jo Henderson's Office

- 5 - Paintings
- 1 - Executone (Phone)
- 1 - 36 X 72 Desk, Mahogany Finish
- 1 - 72" Credenza, Mahogany Finish
- 1 - Hi-Back Executive Chair, Green/Mahogany
- 2 - Guest Chairs, Green/Mahogany
- 2 - Plants
- 1 - 2 Drawer Lateral Filing Cabinet, Mahogany
- 1 - Bose Stereo System
- 1 - Crystal Horse
- 1 - Elephant Statue

Niece Jochims' Office

- 1 - 72" Credenza, Mahogany Finish
- 1 - 37 X 72 Single Pedestal Executive Desk, Mahogany Finish
- 1 - 42" Single Pedestal Executive "L", Mahogany Finish
- 1 - Executone (Phone)
- 1 - US Map
- 1 - Bookcase, 72"H, Mahogany Finish
- 1 - Hi-Back Executive Chair, Green/Mahogany
- 2 - Guest Chairs, Green/Mahogany
- 1 - HP Deskjet 855 CSE (Professional Series)
- 1 - Zenith Data Systems CD Player
- 1 - Sharp UX 177 Fax Machine
- 1 - TTX PC
- 1 - Hard Drive/Mouse
- 1 - Tripod

Steven Oscher's Office (Storage Room)

- 1 - Executive Chair, Grey/Chrome
- 1 - Guest Chair, Grey/Chrome
- 1 - 30 X 60 Grey Laminate Desk
- 1 - 60" Credenza, Grey Laminate
- 2 - Executone Phones
- 3 - Boxed Tables (For Screenings)

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Diane Doane's Office

- 1 - Executone (Phone)
- 1 - Hi-Back Executive Chair, Green/Mahogany
- 2 - Guest Chairs, Green/Mahogany
- 2 - Plants
- 1 - 42" Bookshelf, Mahogany Finish
- 1 - TV Cart
- 1 - 36 X 72 Executive Desk, Mahogany Finish
- 1 - Maroon Filing Cabinet, Metal, (2 Drawers)
- 2 - Bonsai Tree Paintings
- 1 - Lighthouse Painting
- 1 - Sailboat Painting
- 1 - HP Deskjet 694C Printer
- 1 - Compaq Computer - Hitachi Superscan 500
- 1 - Compaq Desk Pro Hard Drive
- 1 - Compaq Keyboard/Mouse
- 1 - Florida House Of Representatives Letter/Plaque
- 1 - Florida Map

Diana Allen's Office

- 1 - Hitachi Superscan Computer 500 (Monitor)
- 1 - Compaq Deskpro Hard Drive
- 1 - HP Laserjet 5L Printer
- 1 - Keyboard & Keyboard Tray/ Mouse
- 1 - Printer Cart W/Casters, Med. Oak Laminate
- 1 - Xerox Copier
- 1 - Lateral Filing Cabinet, Metal (5 Drawers)
- 1 - Lateral Filing Cabinet, Metal (4 Drawers)
- 1 - Executone Phone
- 1 - Guest Chair, Black Leather
- 1 - Desk Chair, Grey/Mahogany Finish
- 1 - 36 X 73 Desk, Med. Oak Laminate

Kim K.'S Office

- 1 - Executone (Phone)
- 1 - Effort Poster
- 1 - HP Deskjet 682C Printer
- 1 - PC - 518A0452
- 1 - Zenith Laptop: S/N:5JSDJD000288
- 1 - Keyboard/ Mouse (Locitech)
- 1 - 30 X 60 Desk, Mahogany Laminate
- 1 - 60" Credenza, Mahogany Laminate
- 1 - Keyboard Holder Tray

- 1 - Metal Storage Cabinet
- 1 - Executive Chair, Black
- 1 - Side Chair, Grey/Chrome

Tracy Suprenant's Office

- 1 - Executone Phone
- 1 - Executive Chair, Green/Mahogany
- 2 - Guest Chairs, Green Mahogany
- 1 - 36 X 72 Desk, Mahogany Finish
- 1 - 72" H Bookcase, Mahogany Finish
- 1 - 4 Drawer Vertical File, Metal

Customer Service Room (CSR)

- 1 - Xerox Copier (5014 02U 448 233)
- 1 - Wood Grain Conference Table (Oblong)
- 1 - Typewriter (Brother AX600)
- 6 - Grey Chairs
- 3 - Pictures
- 1 - Filing Cabinet (2 Drawers)
- 1 - Mini Refrigerator (Sanyo)
- 1 - Metal Cabinet
- 1 - Paper Cutter (Bosto 2612)
- 1 - Crocodile C 1000 Paper Shredder
- 1 - Typewriter (Executron 68)

Conference Room 1 (Phone Reception)

- 1 - Maroon Filing Cabinet (2 Drawers)
- 1 - Florida Map
- 6 - Executone Phones
- 6 - Steelcase 65"H X 42"W panels grey/grey
- 6 - Steelcase sensor chairs, armless, burgundy/black
- 6 - Steelcase workstations 24"D X 54"W with box/file pedestal, pull-out tray
- 6 - Hitachi Superscan Pro 500 CRT
- 6 - Compaq Deskpro Hard Drive
- 6 - Executone Phones
- 6 - Compaq Mouse
- 6 - Compaq Keyboard
- 1 - Executone CRT/Keyboard
- 6 - APC Back-up boxes

Mail Processing Room

- 1 - Left hand secreterial desk grey laminate
- 1 - Hi-back exec. chair grey/mahogany finish
- 1 - Fax cart, laminate
- 1 - Bookcase 48"H, grey laminate
- 1 - 30 X 60 double pedestal desk grey laminate/chrome legs
- 1 - File cabinet (2 Drawer Vertical, Steel)
- 1 - 24"D X 48"W desk shell grey/laminate
- 1 - Junior exec. chair grey/chrome
- 3 - Side chair grey/chrome

Conference Room 2

- 4 - Conference Chairs W/Casters, Grey/Mahogany
- 1 - 8' Boat Shaped Conference Table, Mahogany Laminate
- 1 - 72"H Video/Entertainment Unit, Mahogany Laminate
- 1 - NEC 27" Television
- 1 - Magnavox, 4-Head VCR
- 1 - Executone Phone
- 1 - Drawer Pedestal W/Casters, Mahogany/Black
- 1 - Overhead Projector-3M 9100
- 1 - Easle
- 1 - US Map
- 1 - Poster 1HP Sonos 100

Corporate Closet (Computer Server Room)

- 1 - Hitachi Superscan Pro 500 CRT
- 1 - Compaq Mouse/Keyboard
- 1 - Compaq 4/8 GTB DAT Media Recognition System
- 1 - Compaq Prosignia 200 Hard Drive
- 1 - APC Backups Pro
- 1 - Siemons A-2 Closet
- 1 - Asante' 16 Port Hub

Reception Desk

- 1 - Executone Phone
- 2 - Guest Chairs, Chrome/Grey
- 1 - Heartscan Poster
- 1 - Awareness Poster
- 1 - Easle

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Lillian's Room

- 1 - Victor 1280-4 Calculator
- 1 - Executone Phone
- 1 - Hitachi Computer Superscan 500
- 1 - Compaq Disk Pro Hard Drive
- 1 - Compaq Keyboard/Mouse
- 1 - Executive Chair, Green/Mahogany
- 2 - Guest Chairs, Green/Mahogany
- 1 - Lateral Filing Cabinet, Metal (5 Drawers)
- 1 - 72" Credenza
- 1 - Sony Compact Disk Player//AM/FM Radio/Casette Tape Player

Gina's Room

- 1 - 36 X 72 Executive Desk, Mahogany Finish
- 1 - 72"H Bookcase, Mahogany Finish
- 1 - Executive Chair, Green/Mahogany
- 2 - Guest Chairs, Green/Mahogany
- 1 - Maxtech PC
- 1 - Keyboard/Mouse
- 1 - Laserjet 6P HP Printer
- 1 - Hard Drive

New Lobby

- 1 - Side Chair, Stripe/Mahogany
- 1 - End Table 30 X 30, Mahogany Finish

Dr. Jehle's Office

- 1 - 36 X 72 Executive Desk, Mahogany Finish
- 1 - 72"H Bookcase, Mahogany Finish
- 1 - Executive Chair, Green/Mahogany
- 2 - Guest Chairs, Green/Mahogany
- 1 - Desk Lamp
- 1 - Executone Phone
- 1 - Deskjet 694C HP
- 1 - Hitachi Superscan 500 Compact Computer
- 1 - Keyboard/Mouse

Lobby I

- 2 - Side Chairs, Multi/Black Lacquer
- 1 - Fish Poster
- 1 - Plant
- 1 - Mirrored Pedestal
- 1 - Executone Phone

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Conference Room 3

- 6 - Conference Chairs W/Casters, Grey/Mohogany
- 1 - Conference Table, Mahogany Laminate
- 1 - Apogee Ex-Ultrasound Machine OOKY64
- 1 - Panasonic Video Recorder AFX8
- 1 - Manovox VHS TV, VCR

Kitchen

- 1 - Executone Phone
- 1 - Danka Cannon 113779 Copier
- 1 - Kenmore Refrigerator
- 1 - Sharp, Half-Pint Microwave Oven
- 1 - Mr. Coffee 24 Cup Coffeemaker
- 1 - Tosha Radio/Tape Player
- 1 - Grey Laminate Bookcase
- 1 - Water Cooler
- 1 - 6 Drawer Lateral File Cabinet, Metal

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MICHIGAN OFFICE INVENTORY

<u>ITEM</u>	<u>QUANTITY</u>
Hon Desk (10,900 series)	1
Hon Credensa (10,900 series)	1
High Point Fabric & Wood Chairs (9,000 series)	2
Leather Office Chairs	2
Secertarial Chairs	2
Table 6'	1
File Cabinet (four drawer)	1
Legal Size File Cabinet (two drawer)	1
Cabinet (6'x 2'6")	1
Hon Work Station Desk (10,700 series)	1
Small Plant Table	1
Sony Monitor (Serial #1224165)	1
Hewlett Packard Pavilion 7320 (Serial #838953)	1
Hewlett Packard Desk Jet 672C (Serial #SG75K1P069)	1
Sharp UX 176 Thermo Fax	1
Toshiba 5560 Copier with 20 Bin Sorter/Stapler	1
AT&T 1710 Digital Answering Machine	1
GE Proseries Phone (Two Line)	4
Hon 4003 Side Chairs	3

Asset Purchase Agreement

Schedule 1.1(b)

Georgia Office

Three desks

Eight chairs

One Hutch

Two Filing Cabinets

One Compaq Desk Pro 2000 (Serial No. S6817BKE4E144) with Hitachi
Monitor and Hewlett Packard Deskjet 694C Printer

One Konica 4155 Copy Machine

One Sharp Uk-500 Telefax Machine

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Life Line Screening, Inc. Van(s) Inventory List

Florida (6 Vans)

- 1 - Apogee (U.S. equipment)
- 1 - Aloka 500 (U.S. equipment)
- 4 - Tables
- 1 - Television
- 2 - ABI Dopplers
- 3 - Spygs
- 2 - Screens (Only Jamie's van has 3 screens)
- 1 - Life Line Screening board
- 12 - ABI cuffs
- 2 - Calculators
- 1 - Death of Artery (Displays)
- 1 - Cholesterol

Florida (2 Vans)

- 4 - Tables

Michigan (1 Van)

- 1 - Apogee (U.S. equipment)
- 1 - Aloka 500 (U.S. equipment)
- 4 - Tables
- 1 - Television
- 2 - ABI Dopplers
- 3 - Spygs
- 2 - Screens (Only Jamie's van has 3 screens)
- 1 - Life Line Screening board
- 12 - ABI cuffs
- 2 - Calculators
- 1 - Death of Artery (Displays)
- 1 - Cholesterol

Nebraska (1 Van)

- 1 - Apogee (U.S. equipment)
- 1 - Aloka 500 (U.S. equipment)
- 4 - Tables
- 1 - Television
- 2 - ABI Dopplers
- 3 - Spygs
- 2 - Screens (Only Jamie's van has 3 screens)
- 1 - Life Line Screening board
- 12 - ABI cuffs
- 2 - Calculators
- 1 - Death of Artery (Displays)
- 1 - Cholesterol

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Asset Purchase Agreement

Schedule 1.1(c)

REAL ESTATE OFFICE LEASES

- (1) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 125, Largo, Florida with Juengling/Byrd of 1212 South Myrtle Avenue, Clearwater, Florida 34616, a partnership, dated February 19, 1996, until December 31, 1998, for \$1,600.00 per month plus sales tax and a \$1,625.00 security deposit.
- (2) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 122, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated November 1, 1997, until October 31st, 2000 for \$1,500.00 per month plus sales tax and a \$1,500.00 security deposit.
- (3) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 126, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated January 1, 1998, until December 31, 2000, for \$1,100.00 per month plus sales tax and a last month's rent paid in advance of \$1,177.00.
- (4) That certain lease agreement for office space located on Second Floor, 10535 Pacific Street, Omaha, Nebraska, with Equity Management, Inc., 11550 West Dodge Road, Omaha, Nebraska, 68154, dated August 31, 1997, until August 31, 1999, for \$1,662.40 per month and an option period to August 32, 1000, at \$1,691.57 per month.
- (5) That certain lease agreement for office space located at 681 South Tower, Peachtree 25th Building, Atlanta, Georgia, with Peachtree 25th LLC, 1720 Peachtree Street NW., #131, Atlanta, Georgia 30309, dated March 9, 1998, until March 31, 2000, for \$559.63 per month, to be adjusted annually.
- (6) That certain lease agreement for office space located at the East 600 feet of the lower level 13464 - 15 Mile Road, Marshall, Michigan, with Case Development, a partnership, P. O. Box 520, Paw Paw Michigan, 49079, dated September 20, 1997, until October 20, 1999, for \$700.00 per month, and a last month's rent on deposit of \$700.00.

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Asset Purchase Agreement

Schedule 1.1(d)

CONTRACTS

I. LIFE LINE SCREENING, INC., a Florida Corporation, has the following Non-Competition Agreements, all of which call for no subsequent employment with an activity that implements mobile health screening within the United States by the individuals signing the same for 36 months from the date of termination:

- (1) Ann C. Munz, dated November 11, 1997.
- (2) Dr. Eve Jehle, dated May 20, 1997.
- (3) Tracy Suprenant, dated November 11, 1997.
- (4) Lillian Conrad, dated November 18, 1997.
- (5) Diana M. Allen, dated September 22, 1997.
- (6) Diane Doane, dated February 16, 1998.
- (7) Niece Jochims, dated February 16, 1998.
- (8) Christina A. Christian, dated May 6, 1998.
- (9) Rasha Wrice, dated April 4, 1998.
- (10) Melissa Shuptrine, dated April 8, 1998.
- (11) Renita Reynolds, dated April 7, 1998.
- (12) Charles Martin, dated April 14, 1998.
- (13) Cheryl A. Love, dated April 3, 1998.
- (14) Carmen Kamia King, dated April 4, 1998.
- (15) Penelope Andrew, dated April 4, 1998.
- (16) Dana Futrell, dated March 28, 1997.
- (17) Deborah Zichella, dated March 24, 1998.
- (18) Leslie A. Yancey, dated February 5, 1998.
- (19) Nicole Wellman, dated February 10, 1998.
- (20) Candace Watson, dated March 13, 1998.
- (21) Shelley Walkup, dated March 3, 1998.
- (22) Arden Stone, dated April 1, 1998.
- (23) Penny Sondgerath, dated February 16, 1998.
- (24) Juan C. Silva, dated January 7, 1998.
- (25) Kris Shubert, dated January 15, 1998.
- (26) Lina Frances Scarpino, dated January 1, 1998.
- (27) Kevin Scanlan, dated January 30, 1998.
- (28) Susan Samuelson, dated March 13, 1998.
- (29) Rebecca O. Ritter, dated January 14, 1997.
- (30) Mary Jo Rechtenwald, dated January 10, 1998.
- (31) Stefanie A. McCarthy, dated February 11, 1998.
- (32) Kathleen Mashke, dated March 18, 1998.
- (33) Tracy Malenfant, dated January 17, 1998.
- (34) K. Mallory Long, dated March 18, 1998.
- ~~(35) Randy Lape, dated February 2, 1998.~~
- (36) Martha J. Hern, dated March 26, 1998.
- (37) Roxanne Jones, dated January 10, 1998.
- (38) Rochelle Johnsten, dated January 20, 1998.
- (39) Elizabeth Huxhold, dated January 28, 1998.
- (40) Kimberlee Highsmith, dated January 14, 1998.
- (41) Angie M. Hall, dated January 17, 1998.

- (42) Richard T. Griffin, dated January 14, 1998.
- (43) Greg Gray, dated January 14, 1998.
- (44) Jean M. Graf, dated January 30, 1998.
- (45) LaBloni Copelin, dated February 2, 1998.
- (46) Denise L. Cobb, dated February 23, 1998.
- (47) Natasha Clements, dated January 14, 1998.
- (48) Toni L. Claville, dated January 19, 1998.
- (49) Shannon B. Capps, dated January 23, 1998.
- (50) Mary Helen Atkins, dated February 6, 1998.

In addition, a Non-Competition Agreement with Thad Bentley, dated August 25, 1995, for 10 years from the date of termination of employment for any mobile health screening activities within the United States.

II. Independent Contract Agreement for Professional Services with:

(A) Jim Coy, M.D., qualified in Missouri, from April 16, 1998, until August 5, 2000, cancellable in thirty (30) days, with a restrictive covenant for two years following termination anywhere in the United States.

(B) Lisa Sheppard, M.D., qualified in Michigan, from November 13, 1997 until November 13, 1999, cancellable in sixty (60) days, with a restrictive covenant in Michigan for two (2) years following termination.

(C) William M. Blackshear, M.D., qualified in Florida, from March 30, 1998, through March 30, 2000, cancellable in thirty (30) days with a restrictive covenant in the United States for two years following termination.

(D) Merrill A. Krolick, M.D., qualified in Florida, from December 15, 1997, until December 15, 1999, cancellable in thirty (30) days with a restrictive covenant two years following termination anywhere in the United States.

III. Exclusive Consulting Agreements with:

(A) J. Crayton Pruitt, Sr., M.D., qualified in Florida, from March 8, 1997, through March 8, 1999, and will automatically renew unless cancelled on thirty (30) days written notice.

(B) James C. Brown, M.D., qualified in Nebraska, from July 14, 1997, until July 14, 1999 and will automatically renew unless cancelled on thirty (30) days written notice.

IV. Independent Contract Agreements with:

- (1) Tammy Hawkes, dated July 22, 1996;
- (2) Wendy Euston, dated January 26, 1996;
- (3) Valerie Rosalia, dated February 23, 1998; and
- (4) Mandy Michaud, dated August 20, 1997.

- (5) Penelope Andrew, dated April 4, 1998.
- (6) Mary Helen Atkins, dated February 6, 1998.
- (7) Erin Ranae Bartels
- (8) Karen Bryant
- (9) Julie Campbell
- (10) Shannon Capps, dated January 23, 1998.
- (11) Tara Chisolm
- (12) Christina Ann Christian, dated May 6, 1998.
- (13) Toni Claville, dated January 19, 1998.
- (14) Natasha Clements, dated January 14, 1998.
- (15) Liona Clohessy
- (16) Denise L. Cobb, dated February 23, 1998.
- (17) Angela Cole
- (18) Jackie Cole
- (19) LaBlondi Copelin, dated February 2, 1998.
- (20) Jessica DePew
- (21) Dana Everett
- (22) Dana Futrell, dated March 28, 1998.
- (23) Mary Gonovesi
- (24) Jean Graf, dated January 30, 1998.
- (25) Greg Gray, dated January 14, 1998.
- (26) Amy Elizabeth Griffin
- (27) Tonya Gurganus
- (28) Angie Hall, dated January 17, 1998.
- (29) Tracy Hamilton
- (30) Suzanne Hassler
- (31) Daniel Hawkes
- (32) Mary Helen
- (33) Kelly Henderson
- (34) Martha Hern, dated March 26, 1998.
- (35) Kimberlee Highsmith, dated January 14, 1998.
- (36) Elizabeth Huxhold, dated January 28, 1998.
- (37) Penny Ann Jacobs
- (38) Jesse Jermann
- (39) Kim Johnson
- (40) Rochelle Johnston, dated January 20, 1998.
- (41) Sara Kroiss
- (42) Randi Lambert
- (43) Brett Lekander
- (44) Cheryl A. Love, dated April 3, 1998.
- (45) Otto Lucke
- (46) Terry Lumpkin
- (47) Tracy Malenfant, dated January 17, 1998.
- (48) Charles L. Martin, dated April 14, 1998.
- (49) Stacy McCarless
- (50) Kimberly McSwain
- (51) Jeffrey Milgea
- (52) Patti Myers
- (53) Paula Noonan
- (54) Linda Peterson
- (55) Loretta Pike
- (56) Potjannt Prasert
- (57) Angie Prochaska
- (58) Maryjo Rechtenwald, dated January 10, 1998.

- (59) Renita Reynolds, dated April 7, 1998.
- (60) Rebecca Ritter, dated January 14, 1997.
- (61) Natasha Roper
- (62) Suzy R. Russo
- (63) Alan Rye
- (64) Susan Samuelson, dated March 13, 1998.
- (65) James Schneider, dated
- (66) Paige Schneider, dated
- (67) Sarah Scott
- (68) Jennifer Sellers
- (69) Sandra Shaffer
- (70) Peggy Sharp
- (71) Melissa Shuptrine, dated April 8, 1998.
- (72) Penny Sondgerath, dated February 16, 1998.
- (73) Charity Strong
- (74) Rhonda Sunkie
- (75) Dr. Steven Torpy
- (76) Debra Unger
- (77) Christy Van Nuys
- (78) Jeremy Vuagnlaux
- (79) Kami Walker
- (80) Claire Ward
- (81) Candace Suzanne Watson, dated March 13, 1998.
- (82) RaSha Y. Wrice, dated April 4, 1998.
- (83) Leslie Yancey, dated February 5, 1998.
- (84) Carol Yetzer
- (85) Deborah Zichella, dated March 24, 1998.

V. Independent Contactor Agreement with Ronald Walsh of Largo, Florida dated December 12, 1997, to provide marketing services for mobile screening services with a restrictive covenant for five (5) years after termination of contract.

VI. EQUIPMENT LEASES

- (1) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00218; One (1) Linear PV Steered Probe, Serial No: M00187; One (1) Sony B/W Printer, Serial No: 50793, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (2) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00216; One (1) Linear PV Steered Probe, Serial No: M00126; One (1) Sony B/W Printer, Serial No: 50791, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, Fl 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (3) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00217; One (1) Linear PV Steered Probe, Serial No: M00186; One (1) Sony

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B/W Printer, Serial No: 50792, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.

- (4) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Serial No: M 00326, Model No: SSD-1700; One (1) Linear PV Steered Probe, Serial No: M 00188; One (1) Sony B/W Printer, Serial No: 50794, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (5) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00327; One (1) Linear PV Steered Probe, Serial No: 7011465; One (1) Sony B/W Printer, Serial No: 50797, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (6) One (1) Toshiba Model 6550, Serial Number EJ-623764 along with One (1) Twenty (20) Bin Sorter/Stapler with Toshiba American Information Systems, Inc., P. O. Box 740403, Atlanta, GA 30374, dated November 25, 1997, calling for monthly payments of \$335.00 for a term of thirty-six (36) months.
- (7) One (1) ATL Apogee CX Colorflow Echocardiography System with Chroma Software 3.2 and accessories with Copelco Capital, Inc., 700 East Gate Drive, Mt. Laurel, NJ 08054-5404, dated January 29, 1997, calling for monthly payments of \$795.00 for a term of sixty (60) months, starting April 29, 1997.
- (8) Three (3) ATL Apogee CX Colorflow Echocardiography Systems with accessories with Copelco Capital, Inc., 700 East Gate Drive, Mt. Laurel, NJ 08054-5404, dated October 28, 1997, calling for monthly payments of \$2,822.00 for a term of sixty (60) months, starting January 9, 1998.
- (9) One (1) Compaq Desk Pro Signia 200 Computer with accessories; Ten (10) Compaq Desk Pro 2000 Computers with accessories; (1) Hewlett Packard Laser Jet Printer with accessories, and related software programs, Lease No. 331332979, with Unicyn Funding Group, Inc., 95 Soute 17 South, Paramus, NJ 07653, dated January 22, 1998, calling for monthly payments of \$1,445.07 for a term of thirty-six (36) months.
- (10) One (1) Canon 6650 II Copier with American Business Credit Corporation, A Danka Company, 11201 Danka Circle North, St. Petersburg, Florida 33716, dated April 28, 1995, calling for monthly payments of \$486.00 for a term

of sixty (60) months.

- (11) One (1) Canon 6050 Copier with accompanying stapler/sorter and One (1) Konica Copier with stapler/sorter with Danka Financial Services, A Danka Company, 11201 Danka Circle North, St. Petersburg, Florida 33716, dated April 13, 1998, calling for monthly payments of \$700.00 for a term of thirty-nine (39) months.
- (12) One (1) IDS System 108, Telephone System with Twenty-two (22) Model 32 Telephones and related accessories and software with Clarity Credit Corporation, 33920 U.S. 19 North, Suite 300, Plam Harbor, Florida 34684, dated July 16, 1997, and subsequently upgraded on August 12, 1997, and January 30, 1998, Lease Contract No: 7221367, calling for continuing monthly payments of \$593.00 for a term of sixty (60) months.

VII.

VEHICLE LOANS

- (1) Vehicle Loan for 1998 Ford F150 Van, Vehicle I.D. No: 1FTRE1428WHA01952, with Barnett Banks, N.A. dated October 20, 1997, in the principal amount of \$20,318.94 at 8.956% A.P.R. calling for monthly payments of \$422.93.
- (2) Vehicle loan for 1998 Ford #150 Van, Vehicle I.D. No. 1FTRE1426WHA17793, with Barnett Banks, N.A., dated October 20, 1997, in the principal amount of \$20,318.94 at 8.956% A.P.R. calling for monthly payments of \$422.93.
- (3) Vehicle loan for 1997 Ford E150 Van, Vehicle I.D. No. 1FTEF2429VHC12357, with Barnett Banks, N.A., dated January 12, 1998, in the principal amount of \$20,904.25 at 8.816% A.P.R., calling for monthly payments of \$665.40.
- (4) Vehicle loan for 1998 Ford E150 Van, Vehicle I.D. No: 1FTPE2427WHA01941, with Barnett Banks, N.A. dated January 12, 1998, in the principal amount of \$22,047.11 at 8.80% A.P.R. calling for monthly payments of \$701.61.
- (5) Vehicle Loan for 1996 Plymouth Grand Voyager Van, Vehicle ID No: 2P46P4A3478715570 with Barnett Bank, N.A., dated March 12, 1997, in the principal amount of \$18,277.34 at 8.223% A.P.R. calling for monthly payments of \$373.83.
- (6) Vehicle Loan for 1997 4 x 4 Expedition Ford, Vehicle ID No: 1FMFU18L7ULC37928 with Barnett Banks, N.A., dated September 12, 1997, in the principal amount of \$22,694.15 at 8.5% A.P.R. calling for monthly payments of \$467.26.
- (7) Vehicle Loan for 1998 Plymouth Grand Voyager, Vehicle ID No: 2P4GP243XWR510523 with Barnett Banks, N.A., dated

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August 28, 1997, in the principal amount of \$23,044.85 at 8.5% A.P.R. calling for monthly payments of \$474.47.

- (8) Vehicle Loan for 1996 Dodge Grand Caravan, Vehicle ID No: 284GP4432TR793458 with Barnett Banks, N.A., dated May 30, 1997, in the principal amount of \$21,886.26 at 8.750% A.P.R. calling for monthly payments of \$436.75.
- (9) Vehicle Loan for 1997 Dodge SE Grand Caravan, Vehicle ID No: 2B4GP4439VR241085 with Barnett Banks, N.A., dated March 24, 1997, in the principal amount of \$24,286.18 at 8.919% A.P.R. calling for monthly payments of \$505.06.
- (10) Vehicle Loan for 1998 Ford E150, Vehicle ID No: 1FTNE2423WHA03077 with Barnett Banks, N.A., dated February 20, 1998, in the principal amount of \$24,894.93 at 8.766% A.P.R. calling for monthly payments of \$791.82.
- (11) Vehicle Loan for 1998 Ford Van E150, Vehicle ID No: 1FTNE2470WHA03070 with Barnett Banks, N.A., dated February 20, 1998, in the principal amount of \$25,045.63 at 8.764% A.P.R. calling for monthly payments of \$796.60.
- (12) Vehicle Loan for 1996 Dodge Grand Caravan, Vehicle ID No: 8226, with SunTrust Bank, Southwest Florida (Customer #1475143556), dated November 18, 1996, in the principal amount of \$22,334.40, calling for monthly payments of \$394.06.

VIII. CONTRACTS, FRANCHISE AGREEMENTS AND OPERATING AGREEMENTS

- (1) Working agreement with ELLIS and DIAZ, dated January 23, 1998, to provide advertising services, with thirty (30) day notice to cancel, payable at hourly rates from \$75.00 to \$100.00 per hour.
- (2) Operating Agreement between LIFE LINE SCREENING, INC., and LIFELINE SCREENING FRANCHISE, INC., dated April 19, 1998, for sharing of assets and personnel with accompanying indemnification provision.
- (3) Those rights and obligations arising under the Intercompany Agreement with Lifeline Screening Franchise, Inc. for the following Franchise Agreements, entered into with Lifeline Screening Franchise, Inc. all of which are for a ten year term and call for royalty fees of 7 1/2% of weekly gross receipts and 1% of weekly gross receipts for an Advertising Fund:
 - (a) Franchise Agreements with Stuart Scott, dated June 13, 1997, for counties of Harris, Montgomery, Jefferson, Orange, Galveston and Ford Bend, all in the State of Texas.

- (b) Franchise Agreement with Screening Partners, L.L.C. dated January 1, 1998, for Los Angeles, Ventura, and Santa Barbara Counties, in the State of California, with a first right of refusal for the States of Washington and Oregon.
- (c) Franchise Agreement with Screening Partners, L.L.C. dated November 1, 1997, for counties of Terrence, Williamson, Travis and Beyar, in the State of Texas, with a first right of refusal on the rest of the State of Texas.
- (d) Franchise Agreement with Screening Partners, L.L.C. dated October 8, 1997, for counties of Denton, Dallas, Colin, Parker, Wise and Fantin, in the State of Texas.
- (e) Franchise Agreement with Jeffrey Quist, dated May 19, 1997, for counties of San Diego, Orange, San Bernardino and Riverside, in the State of California.
- (f) Franchise Agreement with Sue Patchen and Barb Cotten, dated April 9, 1997, for the State of Arizona, calling for a \$37,244 payment in December, 1998.
- (g) Franchise Agreement with George Cook and John Watkins, dated January 17, 1997, for counties of Buncombe, Borke, Haywood, Henderson, Jackson, Madison, Almanse, Gillford, Anson, Cabarrus, Catabawa, Cleveland, Gaston, Lincoln, Meckenberg, Montgomery, Rowan, Stanley, Union, Chatham, Durham, Franklin, Harnett, Johnston, Lee, Nash, Orange, Vance, Wake and Wilson Counties, all in the State of North Carolina. This agreement includes a right of first refusal for any franchise(s) granted to any portion of or all of the State of South Carolina, said right having recently been exercised by said George Cook and John Watkins for the entire State of South Carolina.
- (h) Franchise Agreement with Healthsmart Screening, Inc., dated August 25, 1997 for counties of Clark, Crawford, Duboise, Floyd, Gibson, Harrison, Jefferson, Knox, Orange, Perry, Pike, Posey, Scott, Spencer, Vanderburgh, Warrick and Washington, all in the State of Indiana and the counties of Anderson, Boone, Bourbon, Breckenridge, Bullitt, Butler, Campbell, Carroll, Christina, Clark, Daviess, Edmonson, Fayette, Gallatin, Grant, Grayson, Hancock, Hardin, Henderson, Henry, Hopking, Jefferson, Jessamine, Kenton, Larue, Logan, Madison, Marion, Meade, Mercer, Muhlenberg,

Nelson, Ohio, Oldham, Owen, Scott, Shelby, Spencer, Todd, Trimble, Union, Warren, Washington, Webster and Woodford, all in the State of Kentucky.

- (i) Franchise Agreement with Bernard L. Porter, dated July 2, 1996 for counties, of Cuyahoga, Stark, Summitt, Lake, Portgage, Lorain, Franklin, Hamilton and Montgomery, all in the State of Ohio, calling for a \$121,391 payment on August 15, 1998.
- (j) Franchise Agreement with Arke, Inc., dated January 22, 1996, for cities of Boca Raton, Lakeworth, Lantana, Boynton Beach, Ocean Ridge, Palm Beach, West Palm Beach, Delray Beach, Highland Beach, Florida, and Dade and Broward Counties, in the State of Florida.

No action is pending for renewal or modification of these Franchises except for nonbinding discussions with Bernard L. Porter regarding the Ohio Franchise to add additional counties in Pennsylvania that are bordering the State of Ohio as well as the rest of the State of Ohio.

No events have occurred which would cause grounds to revoke or terminate any franchise.

IX. LIFE LINE SCREENING, INC., a Florida Corporation, has written Employment Agreements with the following individuals:

- (1) Joseph Hsu, dated January 20, 1998, for \$40,000.00 per year.
- (2) Elena L. Welch, dated January 25, 1998, for \$34,000.00 per year.
- (3) Eve Jehle, M.D., dated August 15, 1997, for \$75,000.00 per year, with a bonus program for every customer scanned in Florida and health and dental insurance group coverage.
- (4) Richard Griffin, dated January 15, 1998, for \$30,000.00 per year.
- (5) Danielle Bartley, dated January 13, 1998, for \$34,000 per year.
- (6) Wendy Euston, dated February 12, 1998, for \$45,000.00 per year.
- (7) Jodi Merrill, dated February 2, 1998, for \$48,000.00 per year.
- (8) Jamie Corbett, dated January 15, 1998, for \$36,000.00 per year.
- (9) Anna Gore, dated January 15, 1998, for \$36,000.00 per year.
- (10) Susan Moore, dated October 20, 1997, for \$18,000.00 per year.
- (11) Gina W. Johnson, dated January 1, 1998, for \$65,000.00 per year.
- (12) Diane Doane, dated August 1, 1997, for \$24,000.00 per

- year base salary with a bonus program for rental sites booked and customer's scanned in Florida, an expense account and health and dental insurance group coverage.
- (13) Niece Jochims, dated August 1, 1997, for \$100,000.00 per year, along with an expense account of \$150.00 per month and health and dental insurance group coverage.
 - (14) Maureen A. Gosch, dated August 20, 1997.

X. LIFE LINE SCREENING, INC., a Florida Corporation, has Health Care Coordinator Contracts, providing for salaries of \$1,650 per month as a base salary and additional bonuses based on quotas earned therein, with:

- (1) Cassandra K. Berney, dated February 13, 1998;
- (2) Mallory Long, dated March 18, 1998;
- (3) Andrea Mayberry, dated February 10, 1998;
- (4) Pat Berkopoc, dated February 25, 1998;
- (5) Jodi Gosch, dated May 1, 1997.
- (6) Cori Feiler, dated May 1, 1997.

XI. LIFE LINE SCREENING, INC., a Florida corporation, has various other oral employee agreements with the following employees of the business:

- (1) Diana Allen
- (2) Doris Baxter
- (3) Cassandra K. Berney
- (4) Joanne Borden
- (5) Julie Campbell
- (6) Darren Clawson
- ~~(7) Jackie Cole~~
- (8) Lillian Conrad
- (9) Jessie DePew
- (10) Diane Doane
- (11) Cori Feiler
- (12) Angie Hall
- (13) Tracy Hamilton
- ~~(14) Cori Hannon~~
- (15) Tammy Hawkes
- (16) Mary Jo Henderson
- (17) Martha Hern
- (18) Beverly Hiestand
- (19) Cecelia Johnson
- (20) Kandi Lambert
- (21) Brett Lekander
- (22) Kathleen Mashke
- (23) Mandy Michaud
- (24) Anna Munz
- (25) Hien Phan
- (26) Rebecca Ritter
- (27) Suzy R. Russo
- (28) Sue Samuelson
- (29) Paige Schneider
- (30) Peggy Sharp

- (31) Melissa Shuptrine
- (32) Penny Sondgerath
- (33) Arden Stone
- (34) Charity Strong
- (35) Rhonda Sunkle
- (36) Tracy Suprenant
- ~~(37) Michael Sychak~~
- (38) Peggy O'Neill Totten
- (39) Christy VanNuys
- (40) Nicole Wellman
- (41) Jackie White
- (42) Lori White-Anderson
- (43) Linda Woods

XII. OFFICE LEASES

- (1) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 125, Largo, Florida with Juengling/Byrd of 1212 South Myrtle Avenue, Clearwater, Florida 34616, a partnership, dated February 19, 1996, until December 31, 1998, for \$1,600.00 per month plus sales tax and a \$1,625.00 security deposit.
- (2) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 122, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated November 1, 1997, until October 31st, 2000 for \$1,500.00 per month plus sales tax and a \$1,500.00 security deposit.
- (3) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 126, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated January 1, 1998, until December 31, 2000, for \$1,100.00 per month plus sales tax and a last month's rent paid in advance of \$1,177.00.
- (4) That certain lease agreement for office space located on Second Floor, 10535 Pacific Street, Omaha, Nebraska, with Equity Management, Inc., 11550 West Dodge Road, Omaha, Nebraska, 68154, dated August 31, 1997, until August 31, 1999, for \$1,662.40 per month and an option period to August 32, 1000, at \$1,691.57 per month.
- (5) That certain lease agreement for office space located at 681 South Tower, Peachtree 25th Building, Atlanta, Georgia, with Peachtree 25th LLC, 1720 Peachtree Street NW., #131, Atlanta, Georgia 30309, dated March 9, 1998, until March 31, 2000, for \$559.63 per month, to be adjusted annually.
- (6) That certain lease agreement for office space located at the East 600 feet of the lower level 13464 - 15 Mile

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Road, Marshall, Michigan, with Case Development, a partnership, P. O. Box 520, Paw Paw Michigan, 49079, dated September 20, 1997, until October 20, 1999, for \$700.00 per month, and a last month's rent on deposit of \$700.00.

Asset Purchase Agreement

Schedule 1.1(e)

INTELLECTUAL PROPERTY

- (1) That service mark, registered with the United States Patent and Trademark Office on April 15, 1997, for Life Line Screening, Inc., a Florida Corporation, registration number: 2,052,172, effective for ten (10) years.
- (2) Administrative Manual of Life Line Screening, Inc., consisting of Five Sections and Eighty-Seven Pages, describing the Business Organizational Chart, New Employee Forms and Procedures, Employee Communications, Reservation Center with examples; the Processing Center and Standard Forms.
- (3) Guidelines and Protocols for the Ultrasound Department Manual, consisting of Five Chapters and Seventy-three pages, describing the guidelines and protocols (required practices) for ultrasound screening procedures, including Doppler physics and ultrasound technician protocols, carotid screening procedures, ankle brachial protocol, abdominal aortic and aorta aneurysms and quality assurance.
- (4) Intersocietal Commission for Accreditation of Vascular Laboratories Manual, (J. Crayton Pruitt, M.D., National Medical Director) consisting of Fifty-five pages, describing the accreditation standards for vascular laboratories, certain forms, recommended daily procedures for ultrasound screenings, quality assurance review guidelines and marketing brochures.
- (5) Clinical and Ultrasound Protocols for Quality Assurances Manual, consisting of Twenty-seven pages, describing the ultrasound technician protocols (required practices), training critique forms and other forms.
- (6) Marketing Protocols Manual, consisting of Eighteen Forms or Reports and Twenty-six pages, providing standard forms to Health Service Coordinators and suggest marketing material.
- (7) Personnel Policy and Procedures Manual, consisting of Eight Pages of Policy and Procedures and numerous employment related forms and contracts, totaling Twenty-nine pages, describing employees rules and benefits, a code of ethics and expectations, a proposed Non-Compete Agreement and Independent Contractor Agreement Forms and employment record keeping forms.

Asset Purchase Agreement

Schedule 1.1(p)

SELLER'S RIGHT, TITLE AND INTEREST IN FRANCHISES

Those rights and obligations arising under the Intercompany Agreement with Lifeline Screening Franchise, Inc. for the following Franchise Agreements, entered into with Lifeline Screening Franchise, Inc. all of which are for a ten year term, call for royalty fees of 7 1/2% of weekly gross receipts and 1% of weekly gross receipts for an Advertising Fund:

- (a) Franchise Agreement with Screening Partners, L.L.C. dated January 1, 1998, for Los Angeles, Ventura, and Santa Barbara Counties, in the State of California, with a first right of refusal for the States of Washington and Oregon.
- (b) Franchise Agreement with Screening Partners, L.L.C. dated November 1, 1997, for counties of Terrence, Williamson, Travis and Beyar, in the State of Texas, with a first right of refusal on the rest of the State of Texas.
- (c) Franchise Agreement with Screening Partners, L.L.C. dated October 8, 1997, for counties of Denton, Dallas, Colin, Parker, Wise and Fantin, in the State of Texas.
- (d) Franchise Agreement with Stuart Scott, dated June 13, 1997, for counties of Harris, Montgomery, Jefferson, Orange, Galveston and Ford Bend, all in the State of Texas.
- (e) Franchise Agreement with Jeffrey Quist, dated May 19, 1997, for counties of San Diego, Orange, San Bernardino and Riverside, in the State of California.
- (f) Franchise Agreement with Sue Patchen and Barb Cotten, dated April 9, 1997, for the State of Arizona, calling for a \$37,244 payment in December, 1998.
- (g) Franchise Agreement with George Cook and John Watkins, dated January 17, 1997, for counties of Buncombe, Borke, Haywood, Henderson, Jackson, Madison, Almanse, Gillford, Anson, Cabarrus, Catabawa, Cleveland, Gaston, Lincoln, Meckenberg, Montgomery, Rowan, Stanley, Union, Chatham, Durham, Franklin, Harnett, Johnston, Lee, Nash, Orange, Vance, Wake and Wilson Counties, all in the State of

North Carolina. This agreement includes a right of first refusal for any franchise(s) granted to any portion of or all of the State of South Carolina.

- (h) Franchise Agreement with Healthsmart Screening, Inc., dated August 25, 1997 for counties of Clark, Crawford, Duboise, Floyd, Gibson, Harrison, Jefferson, Knox, Orange, Perry, Pike, Posey, Scott, Spencer, Vanderburgh, Warrick and Washington, all in the State of Indiana and the counties of Anderson, Boone, Bourbon, Breckenridge, Bullitt, Butler, Campbell, Carroll, Christina, Clark, Daviess, Edmonson, Fayette, Gallatin, Grant, Grayson, Hancock, Hardin, Henderson, Henry, Hopking, Jefferson, Jessamine, Kenton, Larue, Logan, Madison, Marion, Meade, Mercer, Muhlenberg, Nelson, Ohio, Oldham, Owen, Scott, Shelby, Spencer, Todd, Trimble, Union, Warren, Washington, Webster and Woodford, all in the State of Kentucky.
- (i) Franchise Agreement with Bernard L. Porter, dated July 2, 1996 for counties, of Cuyahoga, Stark, Summitt, Lake, Portgage, Lorain, Franklin, Hamilton and Montgomery, all in the State of Ohio, calling for a \$121,391 payment on August 15, 1998.
- (j) Franchise Agreement with Arke, Inc., dated January 22, 1996, for cities of Boca Raton, Lakeworth, Lantana, Boynton Beach, Ocean Ridge, Palm Beach, West Palm Beach, Delray Beach, Highland Beach, Florida, and Dade and Broward Counties, in the State of Florida.

No action is pending for renewal or modification of these Franchises except for nonbinding discussions with Bernard L. Porter regarding the Ohio Franchise to add additional counties in Pennsylvania that are bordering the State of Ohio as well as the rest of the State of Ohio.

No events have occurred which would cause grounds to revoke or terminate any franchise.

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Asset Purchase Agreement

Schedule 1.2(b)

EXCLUDED PERSONAL PROPERTY

All artwork, including an elephant statue, a crystal horse statue and the paintings located only in the office of MARY JO HENDERSON, the Bose Stereo System located in the office of MARY JO HENDERSON, and the hand held camcorder located in the office of MARY JO HENDERSON.

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ASSET PURCHASE AGREEMENT

**Purchase Price Allocation
Schedule 1.4(e)**

Stock in Lifelife Screening Franchise, Inc.	\$10,000.00
Stock in Heart Scan for Athletes, Inc.	\$10,000.00
Assets	Book Value
Covenant not to Compete - Asset Purchase	\$50,000.00
Covenant not to Compete - Stock Purchase	\$50,000.00
Goodwill	Remainder of Purchase Price

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5/18/98
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Asset Purchase Agreement

Schedule 1.5

CONTINUATION OF SERVICES

- (1) Gina W. Johnson
- (2) Dr. Eve Jehle, Director of Medical Business Affairs
- (3) Lillian Conrad, Director of Finance
- (4) Jodi Merrill, Ultrasound Technologist

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Asset Purchase Agreement

Schedule 3.4

CONFLICTS

The following agreements cannot be assigned or assumed without the express consent of a third party:

EQUIPMENT LEASES

- (1) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00218; One (1) Linear PV Steered Probe, Serial No: M00187; One (1) Sony B/W Printer, Serial No: 50793, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (2) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00216; One (1) Linear PV Steered Probe, Serial No: M00126; One (1) Sony B/W Printer, Serial No: 50791, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (3) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00217; One (1) Linear PV Steered Probe, Serial No: M00186; One (1) Sony B/W Printer, Serial No: 50792, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (4) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Serial No: M 00326, Model No: SSD-1700; One (1) Linear PV Steered Probe, Serial No: M 00188; One (1) Sony B/W Printer, Serial No: 50794, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.
- (5) One (1) Aloka Ultrasound Color Doppler Ultrasound Scanner, Model No: SSD-1700, Serial No: M00327; One (1) Linear PV Steered Probe, Serial No: 7011465; One (1) Sony B/W Printer, Serial No: 50797, with Barnett Bank, N.A., P. O. Box 40329, Jacksonville, FL 32203-0329, dated January 7, 1998, calling for monthly payments of \$1,260.57 for a term of sixty (60) months.

- (6) One (1) Toshiba Model 6550, Serial Number EJ-623764 along with One (1) Twenty (20) Bin Sorter/Stapler with Toshiba American Information Systems, Inc., P. O. Box 740403, Atlanta, GA 30374, dated November 25, 1997, calling for monthly payments of \$335.00 for a term of thirty-six (36) months.
- (7) One (1) ATL Apogee CX Colorflow Echocardiography System with Chroma Software 3.2 and accessories with Copelco Capital, Inc., 700 East Gate Drive, Mt. Laurel, NJ 08054-5404, dated January 29, 1997, calling for monthly payments of \$795.00 for a term of sixty (60) months, starting April 29, 1997.
- (8) Three (3) ATL Apogee CX Colorflow Echocardiography Systems with accessories with Copelco Capital, Inc., 700 East Gate Drive, Mt. Laurel, NJ 08054-5404, dated October 28, 1997, calling for monthly payments of \$2,822.00 for a term of sixty (60) months, starting January 9, 1998.
- (9) One (1) Compaq Desk Pro Signia 200 Computer with accessories; Ten (10) Compaq Desk Pro 2000 Computers with accessories; (1) Hewlett Packard Laser Jet Printer with accessories, and related software programs, Lease No. 331332979, with Unicyn Funding Group, Inc., 95 Soute 17 South, Paramus, NJ 07653, dated January 22, 1998, calling for monthly payments of \$1,445.07 for a term of thirty-six (36) months.
- (10) One (1) Canon 6650 II Copier with American Business Credit Corporation, A Danka Company, 11201 Danka Circle North, St. Petersburg, Florida 33716, dated April 28, 1995, calling for monthly payments of \$486.00 for a term of sixty (60) months.
- (11) One (1) Canon 6050 Copier with accompanying stapler/sorter and One (1) Konica Copier with stapler/sorter with Danka Financial Services, A Danka Company, 11201 Danka Circle North, St. Petersburg, Florida 33716, dated April 13, 1998, calling for monthly payments of \$700.00 for a term of thirty-nine (39) months.
- (12) One (1) IDS System 108, Telephone System with Twenty-two (22) Model 32 Telephones and related accessories and software with Clarity Credit Corporation, 33920 U.S. 19 North, Suite 300, Plam Harbor, Florida 34684, dated July 16, 1997, and subsequently upgraded on August 12, 1997, and January 30, 1998, Lease Contract No: 7221367, calling for continuing monthly payments of \$593.00 for a term of sixty (60) months.

VEHICLE LOANS

- (1) Vehicle Loan for 1998 Ford F150 Van, Vehicle I.D. No: 1FTRE1428WHA01952, with Barnett Banks, N.A. dated October 20, 1997, in the principal amount of \$20,318.94 at 8.956% A.P.R. calling for monthly payments of \$422.93.

- (2) Vehicle loan for 1998 Ford #150 Van, Vehicle I.D. No. 1FTRE1426WHA17793, with Barnett Banks, N.A., dated October 20, 1997, in the principal amount of \$20,318.94 at 8.956% A.P.R. calling for monthly payments of \$422.93.
- (3) Vehicle loan for 1997 Ford E150 Van, Vehicle I.D. No. 1FTEF2429VHC12357, with Barnett Banks, N.A., dated January 12, 1998, in the principal amount of \$20,904.25 at 8.816% A.P.R., calling for monthly payments of \$665.40.
- (4) Vehicle loan for 1998 Ford E150 Van, Vehicle I.D. No: 1FTPE2427WHA01941, with Barnett Banks, N.A., dated January 12, 1998, in the principal amount of \$22,047.11 at 8.80% A.P.R. calling for monthly payments of \$701.61.
- (5) Vehicle Loan for 1996 Plymouth Grand Voyager Van, Vehicle ID No: 2P46P4A3478715570 with Barnett Bank, N.A., dated March 12, 1997, in the principal amount of \$18,277.34 at 8.223% A.P.R. calling for monthly payments of \$373.83.
- (6) Vehicle Loan for 1997 4 x 4 Expedition Ford, Vehicle ID No: 1FMFU18L7ULC37928 with Barnett Banks, N.A., dated September 12, 1997, in the principal amount of \$22,694.15 at 8.5% A.P.R. calling for monthly payments of \$467.26.
- (7) Vehicle Loan for 1998 Plymouth Grand Voyager, Vehicle ID No: 2P4GP243XWR510523 with Barnett Banks, N.A., dated August 28, 1997, in the principal amount of \$23,044.85 at 8.5% A.P.R. calling for monthly payments of \$474.47.
- (8) Vehicle Loan for 1996 Dodge Grand Caravan, Vehicle ID No: 284GP4432TR793458 with Barnett Banks, N.A., dated May 30, 1997, in the principal amount of \$21,886.26 at 8.750% A.P.R. calling for monthly payments of \$436.75.
- (9) Vehicle Loan for 1997 Dodge SE Grand Caravan, Vehicle ID No: 2B4GP4439VR241085 with Barnett Banks, N.A., dated March 24, 1997, in the principal amount of \$24,286.18 at 8.919% A.P.R. calling for monthly payments of \$505.06.
- (10) Vehicle Loan for 1998 Ford E150, Vehicle ID No: 1FTNE2423WHA03077 with Barnett Banks, N.A., dated February 20, 1998, in the principal amount of \$24,894.93 at 8.766% A.P.R. calling for monthly payments of \$791.82.
- (11) Vehicle Loan for 1998 Ford Van E150, Vehicle ID No: 1FTNE2470WHA03070 with Barnett Banks, N.A., dated February 20, 1998, in the principal amount of \$25,045.63 at 8.764% A.P.R. calling for monthly payments of \$796.60.
- (12) Vehicle Loan for 1996 Dodge Grand Caravan, Vehicle ID No: 8226, with SunTrust Bank, Southwest Florida (Customer #1475143556), calling for monthly payments of \$394.06.

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REAL ESTATE OFFICE LEASES

- (1) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 125, Largo, Florida with Juengling/Byrd, a Partnership, of 1212 South Myrtle Avenue, Clearwater, Florida 34616, dated February 19, 1996, until December 31, 1998, for \$1,600.00 per month plus sales tax and a \$1,625.00 security deposit.
- (2) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 122, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated November 1, 1997, until October 31st, 2000 for \$1,500.00 per month plus sales tax and a \$1,500.00 security deposit.
- (3) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 126, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated January 1, 1998, until December 31, 2000, for \$1,100.00 per month plus sales tax and a last month's rent paid in advance of \$1,177.00.
- (4) That certain lease agreement for office space located on Second Floor, 10535 Pacific Street, Omaha, Nebraska, with Equity Management, Inc., 11550 West Dodge Road, Omaha, Nebraska, 68154, dated August 31, 1997, until August 31, 1999, for \$1,662.40 per month and an option period to August 32, 1000, at \$1,691.57 per month.
- (5) That certain lease agreement for office space located at 681 South Tower, Peachtree 25th Building, Atlanta, Georgia, with Peachtree 25th LLC, 1720 Peachtree Street NW., #131, Atlanta, Georgia 30309, dated March 9, 1998, until March 31, 2000, for \$559.63 per month, to be adjusted annually.
- (6) That certain lease agreement for office space located at the East 600 feet of the lower level 13464 - 15 Mile Road, Marshall, Michigan, with Case Development, a partnership, P. O. Box 520, Paw Paw Michigan, 49079, dated September 20, 1997, until October 20, 1999, for \$700.00 per month, and a last month's rent on deposit of \$700.00.

Asset Purchase Agreement

Schedule 3.6

FINANCIAL STATEMENTS

The attached financial statements are the audited figures for the Seller for the year end 1996 and 1997 calendar years and the April 30, 1998, unaudited statements.

LIFE LINE SCREENING, INC.

Financial Statements and
Accompanying Information

For the years ended December 31, 1997 and 1996

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LIFE LINE SCREENING, INC.

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Report of Independent Certified Public Accountants

To the Stockholder
Life Line Screening, Inc.
Largo, Florida

We have audited the accompanying balance sheets of Life Line Screening, Inc. as of December 31, 1997 and 1996 and the related statements of income, changes in retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life Line Screening, Inc. as of December 31, 1997 and 1996 and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

Cherry, Bekaert & Holland, L.L.P.

St. Petersburg, Florida
March 25, 1998

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Inventory - Omaha Office 12/16/97

Inventory

Object	Quantity	Serial #	Model #	Color	Description
Chair	1	JPSAD	4023MS	Purple	Mirali, Guest Chair
Chair	1	V770V	4023MS	Purple	Mirali, Guest Chair
Chair	1	V81DP	3603MS	Purple	Mirali, High-back executive
Chair	1	V61DP	3606ME	Gray/Multi	Mirali, Guest Chair
Chair	1	V71DP	3606ME	Gray/Multi	Mirali, Guest Chair
Chair	1	JAMAU	3601MS	Purple	Mirali, High-back executive
Chair	1	JWMAU	3601MS	Purple	Mirali, High-back executive
Printer	1	SG77V1W112	C5871A	Gray	Hewlett Packard, Deskjet 722C Printer
Desk	1		61956	Light Oak	O'Sullivan "L" Workcenter
File	1		61921	Light Oak	O'Sullivan Lateral File
Desk	1		61909	Light Oak	O'Sullivan Deluxe Work Table
Phone	4		854	Black	Lucent Tech 854 4-Line Intercom/Speakerphone
Keyboard	1	J77251801	5131C	Gray	Packard Bell Keyboard
Monitor	1	FBXL76048234	PV7721M	Gray	Proview Technology Energy Monitor
Microwave	1	707KM01555	MA-6802	White	Goldstar Microwave Oven
Fridge	1	970702917	AR366MG10R	Brown	Absocold Refrigerator
Desk	1			Light Oak	O'Sullivan Workcenter
File	1	099531		Gray	Filex 42"4 Drawer Lateral Cabinet
Fax	1	47106771	UX-174	Black	Sharp UX-174 Fax Machine
Copier	1	EJ63764	AX497	Gray	Toshiba 6550 Copy Machine

LIFE LINE SCREENING, INC.

Balance Sheets

December 31, 1997 and 1996

Assets

	1997	1996
Current assets		
Cash	\$ 131,867	\$ 36,200
Advances	17,211	545
Prepaid expenses	13,969	-
Note receivable	95,287	-
Stockholder loan	-	31,709
Total current assets	<u>258,334</u>	<u>68,454</u>
Property and equipment, net	349,783	71,014
Equipment under capital leases, net	259,105	127,334
Deposits and other assets	<u>20,255</u>	<u>6,714</u>
	<u>\$ 887,477</u>	<u>\$ 273,516</u>

Liabilities and Stockholder's Equity

Current liabilities		
Line of credit	\$ 82,000	\$ -
Current maturities of long-term debt	43,239	21,379
Current maturities of capital lease obligations	62,157	24,712
Accounts payable and accrued expenses	93,257	38,552
Due to stockholder	900	900
Total current liabilities	<u>281,553</u>	<u>85,543</u>
Long-term liabilities		
Long-term debt, net of current maturities	164,263	64,641
Capital lease obligations, net of current maturities	230,966	118,899
Total liabilities	<u>726,782</u>	<u>269,083</u>
Stockholder's equity		
Common stock, par value \$1, authorized 1,000 shares, issued and outstanding 100 shares	100	100
Retained earnings	160,595	4,333
Total stockholder's equity	<u>160,695</u>	<u>4,433</u>
	<u>\$ 887,477</u>	<u>\$ 273,516</u>

See notes to financial statements.

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Statements of Income

For the Years ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Procedure revenues	\$ 2,646,736	\$ 1,153,033
Labor cost of administering procedures	702,877	297,565
Selling, general and administrative expenses	<u>1,504,763</u>	<u>540,689</u>
Income from operations	439,096	314,779
Other income (expense)		
Interest expense	(35,947)	(16,075)
Interest income	<u>3,581</u>	<u>3,808</u>
	<u>(32,366)</u>	<u>(12,267)</u>
Net income	<u>\$ 406,730</u>	<u>\$ 302,512</u>

See notes to financial statements.

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LIFE LINE SCREENING, INC.
Statements of Changes in Retained Earnings

For the Years ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Retained earnings (deficit), beginning of year	\$ 4,333	\$ (11,962)
Net income	406,730	302,512
Distributions	<u>(250,468)</u>	<u>(236,217)</u>
Retained earnings, end of year	<u>\$ 160,595</u>	<u>\$ 4,333</u>

See notes to financial statements.

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LIFE LINE SCREENING, INC.

Statements of Cash Flows

For the Years ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities		
Reconciliation of net income to net cash provided by operating activities		
Net income	\$ 406,730	\$ 302,512
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	135,223	70,100
Change in assets and liabilities		
(Increase) decrease in advances	(16,566)	11,669
(Increase) decrease in prepaid expenses	(13,969)	5,500
Increase in notes receivable	(95,237)	-
Increase in deposits and other assets	(13,541)	(2,649)
Increase in accounts payable and accrued expenses	54,705	31,649
Net cash provided by operating activities	<u>457,200</u>	<u>418,781</u>
Cash flows from investing activities		
Purchase of property and equipment	(318,515)	(86,834)
Proceeds from repayment of stockholder loan	31,709	-
Net cash used in investing activities	<u>(286,904)</u>	<u>(86,834)</u>
Cash flows from financing activities		
Payments on stockholder loans	-	(35,145)
Proceeds from line of credit	82,000	-
Payments on credit line	-	(13,000)
Principal payments on capital lease obligations	(27,645)	(11,331)
Proceeds from issuance of long-term debt	170,347	57,539
Principal payments on long-term debt	(48,865)	(20,143)
Stockholder distributions	(250,468)	(286,217)
Net cash used in financing activities	<u>(74,629)</u>	<u>(308,297)</u>
 Net increase in cash	 95,667	 23,650
 Cash at beginning of year	 <u>36,200</u>	 <u>12,550</u>
 Cash at end of year	 <u>\$ 131,867</u>	 <u>\$ 36,200</u>
 Supplemental cash flow information		
Interest paid	<u>\$ 35,947</u>	<u>\$ 16,075</u>

See notes to financial statements.

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LIFE LINE SCREENING, INC.

Notes to Financial Statements

December 31, 1997 and 1996

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Note 1 - Summary of significant accounting policies

Basis of accounting

The Company uses the accrual basis of accounting. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

Income taxes

The Company, with the consent of its stockholder has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company generally does not pay federal corporate income taxes on its taxable income, as the stockholder is liable for federal income taxes of the Company's taxable income in her individual income tax return. The Company does pay state income tax, when necessary, in those states in which it conducts its business, which do not recognize the federal Subchapter S election.

Property and equipment

Property and equipment are stated at cost. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the respective assets.

Capital leases

Leases which meet the criteria for capitalization are classified as capital leases in these financial statements. The amount capitalized represents the present value of future rental payments, not to exceed the fair value of the leased property.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Organization

Life Line Screening, Inc. (the Company) was incorporated under the laws of the State of Florida on January 8, 1993. The Company provides mobile medical screening services to individuals in Central Florida which aid in the prevention of strokes and peripheral vascular diseases.

LIFE LINE SCREENING, INC.
Notes to Financial Statements - continued

December 31, 1997 and 1996

Note 3 - Property and equipment

Property and equipment consist of the following:

	<u>1997</u>	<u>1996</u>
Furniture and fixtures	\$ 61,962	\$ 27,213
Equipment	117,415	1,708
Computer equipment	24,941	14,258
Vehicles	<u>243,852</u>	<u>109,700</u>
	448,170	152,969
Less accumulated depreciation	<u>98,387</u>	<u>81,955</u>
	<u>\$ 349,783</u>	<u>\$ 71,014</u>

Note 4 - Equipment under capital leases

Equipment under capital leases consists of mobile medical screening equipment and is presented net of accumulated amortization as follows:

	<u>1997</u>	<u>1996</u>
Capitalized cost	\$ 380,664	\$ 154,614
Less accumulated amortization	<u>121,559</u>	<u>27,280</u>
	<u>\$ 259,105</u>	<u>\$ 127,334</u>

The Company acquired medical equipment through capital lease agreements with a capitalized cost of \$226,050 and \$91,490 for the years ended December 31, 1997 and 1996, respectively.

Note 5 - Commitments

Operating leases

The Company leases office space under non-cancelable operating lease agreements. Total rent paid during 1997 and 1996 respectively amounted to \$31,425 and \$35,253. At December 31, 1997, the Company was liable under the terms of non-cancelable operating leases for equipment and office space in Florida, Nebraska, and Michigan for the following minimum lease payments:

<u>Year</u> <u>Ending</u>	
1998	\$ 104,215
1999	68,348
2000	46,215
Thereafter	<u>14,684</u>
	<u>\$ 233,462</u>

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December 31, 1997 and 1996

Capital leases

At December 31, 1997, the future minimum lease payments, together with the present value of the net minimum lease payments are as follows:

Year <u>Ending</u>		
1998	\$	95,260
1999		95,260
2000		95,260
2001		82,927
2002 and thereafter		<u>54,336</u>
		423,043
Less amount representing interest		<u>79,920</u>
Present value of minimum lease payments	\$	<u>343,123</u>

Current maturities	\$	62,157
Non-current maturities		<u>280,966</u>
	\$	<u>343,123</u>

Note 6 - Long-term debt

The following is a summary of long-term debt at December 31:

	<u>1997</u>	<u>1996</u>
Note payable to bank, interest at 10.079% payable in monthly installments of \$259 including interest through May 1998. This note is collateralized by a vehicle.	\$ -	\$ 3,729
Note payable to bank, interest at 9.809% payable in monthly installments of \$368 including interest through June 1998. This note is collateralized by a vehicle.	-	5,540
Notes payable to banks, interest from 8.629% to 11.0% payable in monthly installments of \$385 including interest through September 2000. These notes are collateralized by vehicles.	25,111	32,846

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LIFE LINE SCREENING, INC.

Notes to Financial Statements - continued

December 31, 1997 and 1996

Note 6 - Long-term debt - continued

Note payable to bank, interest at 8.629% payable in monthly installments of \$492 including interest through August 2000. This note is collateralized by a vehicle.	-	18,320
Notes payable to banks, interest from 7.951% to 8.96% payable in monthly installments of \$3,720 including interest through 2002. These notes are collateralized by vehicles.	177,465	19,394
Note payable to a related party, interest at 10.0% payable in monthly installments of \$200 including interest through December 1999.	<u>4,926</u>	<u>6,191</u>
	207,502	36,020
Less current maturities	<u>43,239</u>	<u>21,379</u>
	<u>\$ 164,263</u>	<u>\$ 64,641</u>

Aggregate annual principal payments on long-term debt for years subsequent to December 31, 1997 are as follows:

Year <u>Ending</u>	<u>Amount</u>
1998	\$ 43,239
1999	47,325
2000	46,784
2001	42,524
2002 and thereafter	<u>27,630</u>
	<u>\$ 207,502</u>

Note 7 - Line of Credit

On April 25, 1997, the Company secured a \$100,000 line of credit with a bank. Terms of the line of credit include interest at the bank's prime plus 1% per annum with accrued interest payable monthly and the entire balance due on demand at the lender's discretion. The line of credit is secured by substantially all the assets of the Company and is guaranteed by its stockholder. At December 31, 1997, the Company's outstanding balance under this line of credit was \$82,000.

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December 31, 1997 and 1996

Note 8 - Note receivable

The Company has a note receivable due on demand from an affiliate. The Company's stockholder is the major stockholder of the affiliate. At December 31, 1997, the balance of this note receivable was \$95,287.

Note 9 - Related party

The Company's stockholder is also the sole stockholder in another company which is operated from within the Largo, Florida office. Because this affiliate benefits from the expenditures of the Company, the Company allocates a portion of its overhead to the affiliate.

The Company maintains an overnight investment account which sweeps the funds out of its operating account, along with the funds of this affiliate. The stockholder has chosen to commingle the funds of the two companies to maintain a balance which will earn a higher rate of interest.

Note 10 - Concentration of credit risk

The Company maintains its cash accounts primarily with a local branch of a large national bank, located in Largo, Florida. The total cash balances are insured by the F.D.I.C. up to \$100,000. The Company had cash balances on deposit at December 31, 1997 that exceeded the balance insured by the F.D.I.C. in the amount of \$365,651. Of this amount \$238,304 was attributable to the affiliated company. (See Note 9.) Due to the size and national scope of the bank, the Company does not anticipate any losses related to the balances not insured by the F.D.I.C.

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Report of Independent Certified Public Accountants
on Accompanying Information

To the Stockholder
Life Line Screening, Inc.
Largo, Florida

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

St. Petersburg, Florida
March 25, 1998

Schedule I - Selling, General and Administrative Expenses

For the Years ended December 31, 1997 and 1996

(See auditor's report on accompanying information)

	<u>1997</u>	<u>1996</u>
Advertising	\$ 81,489	\$ 23,706
Auto and truck expense	24,327	21,112
Consulting	24,004	10,000
Contract services	44,079	-
Contributions	821	606
Depreciation and amortization	135,228	70,100
Drugs and supplies	12,923	1,833
Insurance	41,013	11,141
Meals and entertainment	4,001	5,025
Miscellaneous expense	29,912	10,787
Office supplies and expenses	168,751	27,909
Penalties	897	-
Printing	99,007	-
Professional fees	67,989	24,382
Rent	31,423	35,253
Rentals - other	87,493	-
Repairs and maintenance	5,009	5,307
Salaries and wages	510,837	240,821
Taxes and licenses	49,727	19,822
Telephone	39,273	23,630
Training	1,993	-
Travel	43,320	9,205
Utilities	1,241	-
	<u> </u>	<u> </u>
Total selling, general and administrative expenses	<u>\$ 1,504,763</u>	<u>\$ 540,689</u>

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LIFE-LINE SCREENING MONTHLY SPREADSHEET - MANAGEMENT REPORT

Revenues	J	Feb	Mar	Apr	
Service fees	583,491	790,995	748,949	450,000	2,573,435
Sales/Returns	(610)	(235)	(949)	(70)	(1,864)
Total Revenue	582,881	790,760	748,000	449,930	2,571,571
Cost of sales					
Screening Supplies	10,305	8,152	18,887	12,460	49,804
Printing/Advertising	3,129	2,052	62,341	43,692	111,214
Prof Asst Screening	102,655	50,481	66,424	56,282	275,842
Prof Asst DR.		142,833	92,597	63,752	299,181
Screening Travel	4,886	6,503	6,210	12,071	29,670
Room Rental	3,247	3,415	7,986	10,073	24,720
Rent Equipment	2,243	1,036	1,657	2,189	7,125
Freight	3,239	5,000	655	479	9,373
Total Cost of Sales	129,703	219,472	256,757	200,998	806,930
Gross Profit	453,178	571,288	491,242	248,932	1,764,641
Expenses					
Credit card rec		0	17,717	8,492	26,209
Advertising Exp	39,274	36,769	750	11,040	87,833
HC Marketing		892	97	4,393	5,383
Office/Comp. Equip Exp.	1,870	2,867	1,444	4,163	10,344
Operating Supplies		1,524	3,760	1,472	6,756
Legal/Acctg Prof. Fees	10,756	25,498	44,393	12,454	93,102
Management Fees	(30,000)	(30,000)	(30,000)	(30,000)	(120,000)
Salaries/corp/exec	147,840	180,665	187,586	174,783	690,874
Recruiting & Training	841	4,391	4,387	2,060	11,679
Contract Services	985	1,580	5,855	6,692	15,112
Bonus	400	0	1,500	555	2,455
Training/Education	581	(408)	103	1,138	1,414
Meals/Ent./Travel	4,592	23	52	162	4,829
Promotions	500	2,000	500	307	3,307
Contributions		0	350	61	411
Depreciation Expense	11,000	11,000	22,000	16,500	60,500
Dues/Subscriptions	533	561	392	469	1,955
Maint/Repair/Utilities	95	152	311	66	624
Insurance Expense	4,519	6,875	5,466	4,978	21,837
License/Taxes/Penalty	13,424	18,070	18,788	18,045	68,328
Bank Charge	445	(177)	795		1,062
Office Supplies Expense	4,814	8,513	1,846	3,023	18,196
Postage	499	7,342	7,260	7,571	22,673
Rent	6,089	10,169	5,469	7,258	28,985
Telephone	5,636	12,310	11,059	12,287	41,292
Other/Misc. Expense	16,513	15,729	399	241	32,881
Interest Income	(1,760)	(2,725)	(4,720)	(3,583)	(12,788)
Interest Expense	5,692	7,781	3,583	6,754	23,810
Total Expenses	245,137	321,401	311,143	271,380	1,149,060
Net Income LLSI	208,041	249,888	180,099	(22,448)	615,581

R,Imc5/18/98,Management Report

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LIFE LINE SCREENING, INC. and LIFE LINE SCREENING FRANCHISE, INC.

BALANCE SHEET INFORMATION - FY 1998

Life Line Screening Inc.

ASSETS	Jan	Feb	Mar	Apr
Current Assets				
Cash	218,857	396,081	544,067	412,407
Accrued Revenue/Other Rec	74,917	59,529	96,224	9,155
Due From LLSFI	29,529	38,211	26,400	30,128
Prepaid Expense	8,407	8,716	15,031	18,685
Employee Advances	10,368	10,826	11,730	16,345
Note Recbl(HAS)	95,866	95,866	107,287	122,287
Total Current Assets	437,943	609,228	800,739	609,007
Furniture/Fixtures/Eq.	282,122	263,208	272,183	285,302
Capital Leases	688,229	811,255	811,255	688,229
Vehicles	243,852	336,785	336,765	336,765
Accum Depreciation	(230,946)	(241,948)	(263,946)	(280,696)
Net Furniture/Lease/Vehicles	983,258	1,169,281	1,156,256	1,029,800
Deposits/Other Assets	26,360	21,069	21,069	21,687
TOTAL ASSETS	1,447,560	1,799,579	1,978,065	1,660,294
LIABILITIES				
Current Liabilities				
Credit Line	82,000	0	0	0
Accounts Payable	88,287	69,793	69,793	74,374
Accrued Expense	25,000	37,271	50,849	42,331
Total Current Liabilities	195,287	107,064	120,642	116,705
Long Term Liabilities				
Notes Payable	203,994	291,508	282,383	277,593
Leases Payable	684,743	797,583	791,516	657,148
Total Long Term Liabilities	888,737	1,089,091	1,073,899	934,741
Total Liabilities	1,084,024	1,196,155	1,194,541	1,051,446
Capital				
Common Stock	100	100	100	100
Accum Adj.	4,334	4,334	4,334	4,334
Retained Earnings	156,261	156,261	156,261	156,261
Distributions MJH	(5,200)	(15,200)	(15,200)	(167,427)
Net Income	208,041	457,929	638,028	615,580
Total Capital	363,536	603,424	783,524	608,848
Total Capital and Liabilities	1,447,560	1,799,579	1,978,065	1,660,294

R.5/19/98,Imc Mgmt. Rept

Franchise Revenues		Feb	Mar	Apr	
Sales		127,709			127,709
Royalties	55,165	51,936	67,139	53,548	227,788
Total Revenue	55,165	179,645	67,139	53,548	355,497
Expenses					
Management Fee	30,000	30,000	30,000	30,000	120,000
Legal/Professional	1,164	2,568	3,234	750	7,715
Other	165	427		675	1,268
Total Expenses	31,329	32,996	33,234	31,425	128,983
Net Income LLSFranch.	23,837	146,650	33,905	22,123	226,514
Combined LLSI/LLSFI					
Franchise	55,165	179,645	67,139	53,548	355,497
Screening	582,881	790,760	748,000	449,930	2,571,571
Total Revenue	638,047	970,405	815,138	503,478	2,927,068
Cost of Goods Sold	129,703	219,472	256,757	200,998	806,930
Gross Margin	508,344	750,934	558,381	302,480	2,120,139
Expenses					
Franchise	31,329	32,996	33,234	31,425	128,983
Screening	245,137	321,401	311,143	271,380	1,149,060
Total Comb. Expenses	276,466	354,396	344,377	302,805	1,278,044
Net Income Combined	231,878	396,538	214,004	(325)	842,095

R,Imc5/18/98,Management Report

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LIFE LINE SCREENING, INC. and LIFE LINE SCREENING FRANCHISE, INC.

BALANCE SHEET INFORMATION - FY 1998

Life Line Screening Inc.

ASSETS	Jan	Feb	Mar	Apr
Current Assets				
Cash	218,857	396,081	544,067	412,407
Accrued Revenue/Other Rec	74,917	59,529	96,224	9,155
Due From LLSFI	29,529	38,211	26,400	30,128
Prepaid Expense	8,407	8,716	15,031	18,685
Employee Advances	10,368	10,825	11,730	16,345
Note Recd(HAS)	<u>95,866</u>	<u>95,866</u>	<u>107,287</u>	<u>122,287</u>
Total Current Assets	437,943	609,228	800,739	609,007
Furniture/Fixtures/Eq.	282,122	263,208	272,183	285,302
Capital Leases	688,229	811,255	811,255	688,229
Vehicles	243,852	336,765	336,765	336,765
Accum Depreciation	<u>(230,946)</u>	<u>(241,946)</u>	<u>(263,946)</u>	<u>(280,696)</u>
Net Furniture/Lease/Vehicles	983,256	1,169,281	1,156,256	1,029,800
Deposits/Other Assets	26,360	21,069	21,069	21,687
TOTAL ASSETS	<u>1,447,560</u>	<u>1,799,579</u>	<u>1,978,065</u>	<u>1,660,294</u>
LIABILITIES				
Current Liabilities				
Credit Line	82,000	0	0	0
Accounts Payable	88,287	69,793	69,793	74,374
Accrued Expense	25,000	37,271	50,849	42,331
Total Current Liabilities	<u>195,287</u>	<u>107,064</u>	<u>120,642</u>	<u>116,705</u>
Long Term Liabilities				
Notes Payable	203,994	291,508	282,383	277,593
Leases Payable	684,743	797,583	791,516	657,148
Total Long Term Liabilities	<u>888,737</u>	<u>1,089,091</u>	<u>1,073,899</u>	<u>934,741</u>
Total Liabilities	<u>1,084,024</u>	<u>1,196,155</u>	<u>1,194,541</u>	<u>1,051,446</u>
Capital				
Common Stock	100	100	100	100
Accum Adj.	4,334	4,334	4,334	4,334
Retained Earnings	156,261	156,261	156,261	156,261
Distributions MJH	(5,200)	(15,200)	(15,200)	(167,427)
Net Income	<u>208,041</u>	<u>457,929</u>	<u>638,028</u>	<u>615,580</u>
Total Capital	<u>363,536</u>	<u>603,424</u>	<u>783,524</u>	<u>608,848</u>
Total Capital and Liabilities	<u>1,447,560</u>	<u>1,799,579</u>	<u>1,978,065</u>	<u>1,660,294</u>

R.5/19/98, lmc Mgmt. Rept

HEART SCAN FOR ATHLETES, INC.
 BALANCE SHEET
 April 30, 1998

ASSETS

Cash	19,407	
Loans to Shareholders	34,856	(1)
Other Assets	18,782	(2)
TOTAL ASSETS	<u>72,847</u>	

LIABILITIES

Notes Payable	123,778	(3)
Total Liabilities	<u>123,778</u>	

Capital

Common Stock	133	
Retained Earnings	(47,636)	
Net Income (Loss)	(3,428)	
Total Capital	<u>(50,931)</u>	
TOTAL LIABILITIES & CAPITAL	<u>72,847</u>	

(1) Amounts advanced to M.J. Henderson and N. Jochims

(2) Tickets = \$ 18608

(3) Payable to Life Line Screening \$122,287; Balance Mary Henderson

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Asset Purchase Agreement

Schedule 3.12

REAL PROPERTY

- (1) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 125, Largo, Florida with Juengling/Byrd of 1212 South Myrtle Avenue, Clearwater, Florida 34616, a partnership, dated February 19, 1996, until December 31, 1998, for \$1,600.00 per month plus sales tax and a \$1,625.00 security deposit.
- (2) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 122, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated November 1, 1997, until October 31st, 2000 for \$1,500.00 per month plus sales tax and a \$1,500.00 security deposit.
- (3) That certain lease agreement for office space located at 2401 West Bay Drive, Suite 126, Largo, Florida, with Requiem Investments, Inc., of 1230 South Myrtle Avenue, #203, Clearwater, Florida 34616, dated January 1, 1998, until December 31, 2000, for \$1,100.00 per month plus sales tax and a last month's rent paid in advance of \$1,177.00.
- (4) That certain lease agreement for office space located on Second Floor, 10535 Pacific Street, Omaha, Nebraska, with Equity Management, Inc., 11550 West Dodge Road, Omaha, Nebraska, 68154, dated August 31, 1997, until August 31, 1999, for \$1,662.40 per month and an option period to August 32, 1000, at \$1,691.57 per month.
- (5) That certain lease agreement for office space located at 681 South Tower, Peachtree 25th Building, Atlanta, Georgia, with Peachtree 25th LLC, 1720 Peachtree Street NW., #131, Atlanta, Georgia 30309, dated March 9, 1998, until March 31, 2000, for \$559.63 per month, to be adjusted annually.
- (6) That certain lease agreement for office space located at the East 600 feet of the lower level 13464 - 15 Mile Road, Marshall, Michigan, with Case Development, a partnership, P. O. Box 520, Paw Paw Michigan, 49079, dated September 20, 1997, until October 20, 1999, for \$700.00 per month, and a last month's rent on deposit of \$700.00.

Asset Purchase Agreement

Schedule 3.14(a)

EMPLOYEES

I. LIFE LINE SCREENING, INC., a Florida Corporation, has written Employment Agreements with the following individuals:

- (1) Joseph Hsu, dated January 20, 1998, for \$40,000.00 per year.
- (2) Elena L. Welch, dated January 25, 1998, for \$34,000.00 per year.
- (3) Eve Jehle, M.D., dated August 15, 1997, for \$75,000.00 per year, with a bonus program for every customer scanned in Florida and health and dental insurance group coverage.
- (4) Richard Griffin, dated January 15, 1998, for \$30,000.00 per year.
- (5) Danielle Bartley, dated January 13, 1998, for \$34,000 per year.
- (6) Wendy Euston, dated February 12, 1998, for \$45,000.00 per year.
- (7) Jodi Merrill, dated February 2, 1998, for \$48,000.00 per year.
- (8) Jamie Corbett, dated January 15, 1998, for \$36,000.00 per year.
- (9) Anna Gore, dated January 15, 1998, for \$36,000.00 per year.
- (10) Susan Moore, dated October 20, 1997, for \$18,000.00 per year.
- (11) Gina W. Johnson, dated January 1, 1998, for \$65,000.00 per year.
- (12) Diane Doane, dated August 1, 1997, for \$24,000.00 per year base salary with a bonus program for rental sites booked and customer's scanned in Florida, an expense account and health and dental insurance group coverage.
- (13) Niece Jochims, dated August 1, 1997, for \$100,000.00 per year, along with an expense account of \$150.00 per month and health and dental insurance group coverage.
- (14) Maureen A. Gosch, dated August 20, 1997.

II. LIFE LINE SCREENING, INC., a Florida Corporation, has Health Care Coordinator Contracts, providing for salaries of \$1,650 per month as a base salary and additional bonuses based on quotas earned therein, with:

- (1) Cassandra K. Berney, dated February 13, 1998;
- (2) Mallory Long, dated March 18, 1998;
- (3) Andrea Mayberry, dated February 10, 1998;
- (4) Pat Berkopoc, dated February 25, 1998;
- (5) Jodi Gosch, dated May 1, 1997.
- (6) Cori Feiler, dated May 1, 1997.

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III. LIFE LINE SCREENING, INC., a Florida Corporation, has various other oral employee agreements with the remaining employees of the business, listed as follows:

- (1) Diana Allen
- (2) Doris Baxter
- (3) Cassandra K. Berney
- (4) Joanne Borden
- (5) Julie Campbell
- (6) Darren Clawson
- ~~(7) Jackie Gal~~
- (8) Lillian Conrad
- (9) Jessie DePew
- (10) Diane Doane
- (11) Cori Feiler
- (12) Angie Hall
- (13) Tracy Hamilton
- ~~(14) Carol Hamilton~~
- (15) Tammy Hawkes
- (16) Mary Jo Henderson
- (17) Martha Hern
- (18) Beverly Hiestand
- (19) Cecelia Johnson
- (20) Kandi Lambert
- (21) Brett Lekander
- (22) Kathleen Mashke
- (23) Mandy Michaud
- (24) Anna Munz
- (25) Hien Phan
- (26) Rebecca Ritter
- (27) Suzy R. Russo
- (28) Sue Samuelson
- (29) Paige Schneider
- (30) Peggy Sharp
- (31) Melissa Shuptrine
- (32) Penny Sondgerath
- (33) Arden Stone
- (34) Charity Strong
- (35) Rhonda Sunkle
- (36) Tracy Suprenant
- ~~(37) Michele Szchak~~
- (38) Peggy O'Neill Totten
- (39) Christy VanNuys
- (40) Nicole Wellman
- (41) Jackie White
- (42) Lori White-Anderson
- (43) Linda Woods

Asset Purchase Agreement

Schedule 3.14(c)

EMPLOYEE BENEFIT PLANS

Life Line Screening, Inc. has no pension, welfare savings or deferred compensation plan, stock option, stock purchase or other equity based plan with any employee.

Each and every Health Care Coordinator Contract, described on Schedule 3.21, has an expense allowance of \$150. per month and a bonus plan of \$1.00 per person screened and \$100.00 per booking (after meeting the quota of ten bookings per month) payable in sixty (60) calendar days. Any monthly screening of less than forty (40) will not have the \$1.00 per screening bonus apply.

A Health and Dental Group Insurance Plan is provided for the employees described in that plan on Schedule 3.21.

Diane Doane, National Director of Marketing and Sales, has a bonus program of \$100.00 per rental site booked and \$1.00 for every customer scanned by each of her Florida representatives, a corporate expense account of \$150.00 per month and health and dental insurance coverage as described in Schedule 3.21, Finally, she has a severance package of thirty (30) days pay after one (1) year of employment, forty-five (45) days pay after two (2) years of employment and sixty (60) days pay after three (3) years of employment.

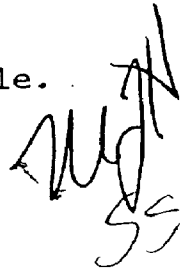
Niece Jochims, National Operations Manager and U.S. Director of Franchise Operations, has a corporate account of \$150.00 per month and health and dental insurance coverage as described in Schedule 3.21. She also has a severance package of thirty (30) days pay for one (1) year of employment, forty-five (45) days for two (2) years of employment and sixty (60) days pay for three (3) years of employment.

Eve Jehle, M.D., Director of Medical Business Affairs, has a bonus program of \$1.00 for every aortic screening customer scanned in the State of Florida. She has both health insurance and dental insurance coverage as described in Schedule 3.21. Finally, she has a severance package of thirty (30) days pay after one (1) year of employment, forty-five (45) days pay after two (2) years of employment and sixty (60) days pay after three (3) years of employment.

The remaining employees listed as having health and dental insurance coverage on Schedule 3.21 are the remaining individuals covered by that plan.

VACATIONS

Vacations should be scheduled as far in advance as possible.

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Meeting required business objectives may take priority over vacation schedules, so it may not always be possible to get your first choice of vacation times. One week paid vacation, after one full year of service. Vacation time does not carry over from year to year. After year 3, two weeks paid vacation will occur.

TIME AWAY FROM WORK

Any employee who has completed ninety (90) days of service will be paid for any time taken off for personal illness, bereavement absence, jury duty absence, military/national guard absence, and short term disability.

PAID ABSENCE

Sick Days

Sick days are granted to any employee for a bona fide personal illness.

Employees are granted up to five (5) paid sick days in a calendar year.

The number of days granted the first year worked are pro-rated, starting the first full calendar month of service, at one-half day for each month, to a maximum of five (5) days.

After the first year of service, the calendar year rule applies: until that time use the pro-rated calculation. Unused days may not be carried forward to the next calendar year.

Employees who are absent due to illness may be required to submit medical documentation before returning to work depending upon the severity of illness or injury and effect on ability to perform the job.

Sick days are not automatic time off, and are not to be used for any purpose other than personal illness.

HOLIDAYS

The Company observes eight (8) regular holidays. The following holidays will be paid if they are during the work week.

Christmas	New Years	Memorial Day
Thanksgiving	Easter	July 4th
Day After Thanksgiving		

BEREAVEMENT ABSENCE

Bereavement absence for three (3) days is granted to an employee who has had a death in his or her immediate family.

Members of the immediate family are defined as Mother, Stepmother, Father, Stepfather, Husband, Wife, Brother, Stepbrother, Sister, Stepsister, Daughter, Stepdaughter, Son,

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Stepson, Grandmother, Grandfather, Mother-in-law, Father-in-law, Daughter-in-law, Son-in-law, Brother-in-law, Sister-in-law, Granddaughter, Grandson.

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Asset Purchase Agreement

Schedule 3.15

LITIGATION

The only pending legal dispute known to the Seller at this time is a potential dispute with Thad Bentley of Treasure Island, Florida, regarding his violation of certain contractual obligations in agreeing not to compete with LIFE LINE SCREENING, INC. and LIFELINE SCREENING FRANCHISE, INC., according to Agreements dated August 25, 1995 and November 21, 1995.

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Asset Purchase Agreement

Schedule 3.20(b)

Schedule of Tax Returns in Which Assessment Has Expired

Federal Corporate Income Tax Returns for year ending:

- (a) December 31, 1993; and
- (b) December 31, 1994

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SS

Asset Purchase Agreement

Schedule 3.21

INSURANCE

The following insurance policies are in full force and effect as of the date of this Agreement:

(1) A Professional Liability Insurance Policy with Admiral Insurance Company, in care of Sorrell Insurance Group, Inc., P.O. Box 2009, Palm Harbor, Florida 34682-2009, under Policy Number: A97PL02624. This Professional Liability Insurance Policy is in claims made only form with limits of liability of \$1,000,000.00 for each claim and \$3,000,000.00 in the aggregate. It is effective as of July 19, 1993 through July 19, 1998. There is no deductible for this insurance coverage. The insurance coverage extends 12 months from the date of cancellation or expiration of this policy if the company cancels or does not renew said policy. Otherwise, the claims extension period is for 30 calendar days if the insured cancels said policy or does not renew the same. The annual premium on said policy is \$26,551.25.

(2) A General Liability and Commercial Property Policy with CNA Insurance Group, Jack Rice Insurance Agency, for \$65,000.00 in coverage for the contents and electronic processing data at the Sellers' business location in Largo, Florida, \$20,000.00 in contents and \$10,000.00 of electronic processing data for the Seller's office at Marshall, Michigan and \$20,000.00 of contents and \$10,000.00 of electronic processing data for the Seller's office in Omaha, Nebraska. The insurance coverage is based on replacement costs and has a \$500.00 deductible associated with regard to the same. The liability coverage is \$2,000,000.00 limit in the aggregate and \$1,000,000.00 for each occurrence. There is a \$1,000,000.00 coverage for personal liability, \$50,000.00 for advertising injury, \$50,000.00 fire damage for any one fire and \$5,000.00 medical expenses for any one person. In addition, there is also a \$50,000.00 coverage for employee dishonesty acts with a \$500.00 deductible associated with regard to the same.

This policy also covers all commercial automobiles, providing coverage for 12 separate vehicles. The automobile insurance coverage calls for liability of \$500,000.00 for each accident for bodily injury and property damage. The uninsured motorage coverage is \$30,000.00 per accident, which calls for non-stacking of coverage with regard to the same. The deductible for comprehensive liability as well as collision liability is \$500.00 each. The annual premium for the general liability and commercial property insurance coverage is \$3,052.00. The annual premium for the automobile insurance policy is \$16,800.00.

(3) There is a Commercial Property Insurance Policy with Inland Marine, a division of Great American Insurance Companies, Policy Number: IMP902-71-97, extended for a period through November

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3, 1998. The annual premium on this policy is \$3,531.00. There is a \$1,000.00 deductible on the replacement of commercial equipment, consisting of different apogee ultrasound and echocardiogram units for a total of \$392,290.00 in coverage.

(4) A Workers Compensation and Employers Liability insurance policy with ABC Insurance Companies, Policy Number: 0100078331, for the period through November 10, 1998. The policy provides for coverage of \$100,000.00 for bodily injury damages for each accident, a \$500,000.00 policy limit for bodily injury by disease, which is limited to \$100,000.00 in benefits for each employee. The estimated annual premium on this policy is \$5,764.00.

There also is a Workers Compensation and Employees liability insurance policy with ABC Insurance Companies, 4700 Boca Raton Blvd., Suite 400, Boca Raton, Florida for employees located outside the State of Florida. The annual premium on this policy is \$1,685.00.

(5) A Group Health Insurance Policy with The Principal, c/o Jack Rice Insurance, Inc., 13080 South Belcher Road, Largo, Florida 33773, calling for various coverages given to certain employees of LIFE LINE SCREENING, INC., said coverages and a list of said employees and their coverage offered is attached to this Exhibit. The annual premium on this group health insurance policy is \$32,000.00.

(6) A Group Health Insurance Policy for those employees in the State of Michigan only, offered through Blue Cross-Blue Shield of Michigan, calling for an annual premium of \$5,200.00.

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10/24/97

LIFE LINE SCREENING, INC.

Effective Date 12/01/97

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	(A) PRINCIPAL MAXIMUM CHOICE PLAN #8 FLORIDA			(B) PRINCIPAL MAXIMUM CHOICE PLAN #8 NEBRASKA		
	#Empl	Choice #1	Choice #2	Choice #1	Choice #2	Choice #3
MEDICAL PLAN		Choice #1	Choice #2	Choice #1	Choice #2	Choice #3
Office Visit		\$5 Copay	\$20 Copay	\$5 Copay	\$20 Copay	Ded/70%
Specialist Visit		\$15 Copay	\$20 Copay	\$15 Copay	\$20 Copay	Ded/70%
Prescription Card		\$7 Generic	\$7 Generic	\$7 Generic	\$7 Generic	\$7 Generic
Deductible		\$14 Brand	\$14 Brand	\$14 Brand	\$14 Brand	\$14 Brand
Outpatient Hospital Copayment		None	None	None	None	\$500
Emergency Room		100% Coins.	80% Coins.	100%	80% Coins.	Ded/70% **
Accident Benefit		\$100 Copay	80% Coins.	\$100 Copay	\$50 Copay	Ded/70%
Vision & Hearing Exams		\$35 Copay	\$50 Copay	\$35 Copay	\$50 Copay	\$100 Copay
Maximum Out of Pocket		\$35 E.R.	\$50 E.R.	\$35 E.R.	\$50 E.R.	\$100 E.R.
Lifetime Benefit Limit		\$5 Dr. Office	\$20 Dr. Office	\$5 Dr. Office	\$20 Dr. Office	Ded/70% Dr.
GENERAL PROVISIONS		Combined	Combined	Combined	\$2,000	Combined
Pre-Certification Required		No	No	No	No	Yes
Gatekeeper Required		Yes	No	Yes	No	No
Rate Guarantee		12 Months	12 Months	12 Months	12 Months	12 Months
Life Insurance Amount						
MEDICAL PREMIUMS						
Employee	11	\$190.12	\$380.25	\$129.72	\$289.29	\$129.72
Employee/Spouse		\$389.76	\$591.30	\$263.33	\$413.81	\$263.33
Employee/Child(ren)		\$2,682.62		\$518.88		\$518.88
Employee/Family	1					
EST. TOTAL MEDICAL PREMIUM						
ADD'L. PREMIUM FOR:						
Life Insurance and AD&D						
Short or Long Term Disability						
Dental						
EST. TOTAL MONTHLY PREMIUM						

RATES ARE FOR QUOTE PURPOSES ONLY, AND ARE SUBJECT TO ACTUAL ENROLLMENT

** See plan for pre-certification requirements

** See plan for pre-certification requirements

ACCEPTED BY: _____

PLAN: _____

DATE: _____

10/24/97

LIFE LINE SCREENING, INC.

Effective Date 12/10/97

	#Emp'd	(C) PRINCIPAL MAXIMUM CHOICE PLAN #8 DES MOINES						
		Choice #1	Choice #2	Choice #3				
MEDICAL PLAN								
Office Visit		\$5 Copay	\$20 Copay	Deft/70%				
Specialist Visit		\$15 Copay	\$20 Copay	Deft/70%				
Prescription Card		\$7 Generic	\$7 Generic \$14 Brand	\$7 Generic \$14 Brand				
Defectible		\$14 Brand	Brand	Brand				
Hospital Conyointment		None	None	\$500				
Emergency Room		100%	80% Coins	Deft/70%**				
Accident Benefit		\$100 Copay	80% Coins	Deft/70%				
Vision & Hearing Exams		\$35 Copay	\$50 Copay	\$100 Copay				
Maximum Out of Pocket		\$35 E.H.	\$50 E.H.	\$100 E.H.				
Lifetime Benefit Limit		\$5 Dr. Office	\$20 Dr. Office	Deft/70% Dr.				
GENERAL PROVISIONS		Combined	Combined	Combined				
Pre-Certification Required		No	No	Yes				
Gatekeeper Required		Yes	No	No				
Rate Guarantee		12 Months	12 Months	12 Months				
Life Insurance Amount								
MEDICAL PREMIUMS								
Employee	1		\$152.44					
Spouse								
Child(ren)								
Employer/ Family								
EST. TOTAL MEDICAL PREMIUM			\$152.44					
ADDL. PREMIUM FOR:								
Life Insurance and AD&D								
Short or Long Term Disability								
Dental								
EST. TOTAL MONTHLY PREMIUM								

RATES ARE FOR QUOTE PURPOSES ONLY AND ARE SUBJECT TO ACTUAL ENROLLMENT

ACCEPTED BY:

PLAN:

DATE:

	#Empl	(D) PRINCHOICE COMPREHENSIVE MEDICAL PLAN # 1	#Empl	(E) PRINCHOICE COMPREHENSIVE MEDICAL PLAN # 2	#Empl	(F) PRINCHOICE COMPREHENSIVE MEDICAL PLAN # 3
Office Visit		Ded/80%		Ded/80%		Ded/80%
Specialist Visit		Ded/80%		Ded/80%		Ded/80%
Prescription Card		\$ 7 + 25% Non-Generic		\$ 7 + 25% Non-Generic		\$ 7 + 25% Non-Generic
Co-pay		\$300 x 3		\$300 x 3		\$300 x 3
Inpatient Hospital Copayment		\$ 200 CoPay Then Ded/80%		\$ 200 CoPay Then Ded/80%		\$ 200 CoPay Then Ded/80%
Hourly Physical		\$ 100/Yr Max Benefit		\$ 100/Yr Max Benefit		\$ 100/Yr Max Benefit
Emergency Room		\$ 100 CoPay Then Ded/80%		\$ 100 CoPay Then Ded/80%		\$ 100 CoPay Then Ded/80%
Vision & Hearing Exams		No Coverage		No Coverage		No Coverage
Maximum Out of Pocket		\$2000 x 2		\$2000 x 2		\$2000 x 2
Lifetime Benefit Limit		\$2,000,000.00		\$2,000,000.00		\$2,000,000.00
GENERAL PROVISIONS						
Pre-Certification Required		Yes		Yes		Yes
Gatekeeper Required		No		No		No
Rate Guarantee		12 Months		12 Months		12 Months
MEDICAL PREMIUMS						
Employee	3	\$228.80	3	\$238.71	1	\$210.62
Employee/Spouse						
Employee/Child/rent						
Employee/Family						
EST. TOTAL MEDICAL PREMIUM		\$686.39		\$716.03		\$210.62

RATES ARE FOR QUOTE PURPOSES ONLY, AND ARE SUBJECT TO ACTUAL ENROLLMENT

ACCEPTED BY: _____

PLAN: _____

DATE: _____

