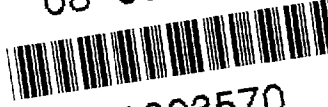


RECORD

08-08-2001



101803570

Docket No. **266/038**

To the Honorable Commissioner of Patents and Trade

1. Name of conveying party(ies): Andersen Instru. Co., Inc. *8-1-01*

Individual Association
 General Partnership Limited Partnership
 Corporation State: California
 Other

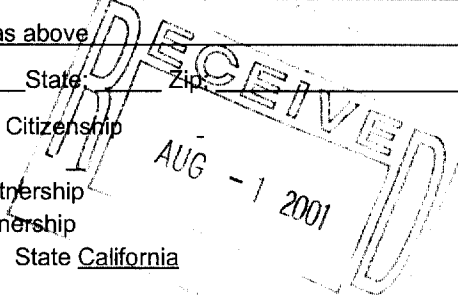
Additional name(s) of conveying party(ies) attached?
 Yes No

2. Name and address of receiving party:
 Name: SENSORMEDICS CORPORATION
 Internal Address: 22705 Savi Ranch Road
 City: Yorba Linda State: CA Zip: 92887-4645
 Street Address: same as above
 City: _____ State: _____ Zip: _____

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other Asset Purchase Agreement
 Execution Date: October 2, 1998

Individual(s) Citizenship
 Association
 General Partnership
 Limited Partnership
 Corporation State California
 Other

Additional name(s) & address(es) attached? Yes No



4. Application number(s) or Trademark number(s):
 If this document is being filed together with a new application, the execution date of the application is: _____

A. Trademark Application No(s): _____ B. Trademark No(s): 1,161,777

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: Michael S. Davidson
 Internal Address: LYON & LYON LLP
633 West Fifth Street, Suite 4700
Los Angeles, CA 90071-2066
 Phone: (949) 567-2300

6. Total number of applications and trademarks involved: 1

7. Total fee (37 CFR 3.41): \$ 40.00
 Enclosed
 Charge this Deposit Account if any additional fee is required

8. Deposit Account Number: 12-2475

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.

Michael S. Davidson Date: July 27, 2001
 Michael S. Davidson, Reg. No. 43,577

Total number of pages including cover sheet: 9

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

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Director — U.S. Patent and Trademark Office
 Box Assignments
 Washington, D.C. 20231

08/07/2001 TDIAZ1 00000171 1161777
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ASSET PURCHASE AGREEMENT

AGREEMENT made as of the 2nd day of October, 1998 (the "Agreement") by and between Andersen Instruments Inc., a Delaware corporation having its principal place of business at 500 Technology Court, Smyrna, GA 30082-5210, ("Seller"), and Sensormedics, a Delaware corporation having its principal place of business at 22705 Savi Ranch Road, Yorba Linda, CA 92887-4645, ("Buyer").

WITNESSETH:

WHEREAS, based upon the representations and warranties herein made by Seller and subject to the terms, conditions and undertakings of Seller contained in this Agreement, Buyer desires to purchase from Seller certain of Seller's assets, properties and business, (as hereinafter defined), except for the assets specified in Section 1.2 hereto; and

WHEREAS, based upon the representations and warranties herein made by Buyer and subject to the terms, conditions and undertakings of Buyer contained in this Agreement, Seller desires to sell to Buyer certain Seller's assets, properties and business, except for the assets specified in Section 1.2 hereto;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereto, intending to be legally bound, do hereby agree as follows:

Article I. Purchase and Sale of the Assets

1.1 Purchase and Sale of the Assets. Subject to the terms of this Agreement, at the Closing (as hereinafter defined), which shall occur simultaneously with the execution of this Agreement, Seller shall sell, assign and transfer, free and clear of all liens, mortgages, security interests, charges and encumbrances, to Buyer, and Buyer shall purchase, certain hereinafter defined Seller's assets, except for the assets specified in Section 1.2 hereto. Such assets are hereinafter referred to as the "Assets". The Assets include, without limitation, all of Seller's right, title and interest in the following:

1.2 (a) All tangible personal property and fixtures relating to the Spirotech S401 series Pulmonary Function Analyzer, the Spirotech S 600 Pulmonary Function lab, and the Integrity S700 series Pulmonary Function Analyzer System product lines, collectively referred to as the "Product" including without limitation, all trade fixtures, machinery, equipment and furniture and any other goods of any nature used by Seller in the operation of the Product.

(b) All inventories of the Product, including, without limitation, inventories of raw materials, work in process and finished goods of any kind, all of which are listed on Schedule 1.2(b) hereto;

(c) All intangible personal property relating to the Product, including, without limitation, (i) the goodwill of the Business, (ii) all customer lists and vendor lists, (iii) rights pursuant to sales contracts, purchase orders and all other contracts and (iv) all manufacturing, production and other know-how and/or trade secrets relating to the Business and/or the manufacture and production of the products produced by the Business (the "Products"), all software documentation including source and object codes used in the operation of Product, manufacturing and calibration; and Schedule 1.2(c) provides the list of technical documentation describing the manufacturing process and indented bills of material. Engineering drawings and "Buy Lists" have been provided on magnetic media in the form of a Zip Disk, receipt of which is hereby acknowledged by Buyer.

(d) All related intellectual property listed on schedule 1.2(d) necessary to produce the Product, including all related patents, trademarks, both registered and at common law, and all other related proprietary information.

1.3 Excluded Assets. Excluded from Section 1.1 above are all cash and accounts receivable owned by Seller.

1.4 Assumed Liabilities. Buyer shall assume no obligations or liabilities of Seller, except those listed on Schedule 1.4 attached hereto, all of which Buyer hereby agrees to assume and pay, perform or otherwise discharge.

1.5 Instruments of Transfer. Not later than October 14, 1998, Seller shall deliver to Buyer (i) such bills of sale, assignments and other good and sufficient instruments of conveyance and transfer, in form and substance satisfactory to Buyer and its counsel, as shall be effective to convey and transfer to, and vest in, Buyer title to the Assets and (ii) the Assets (excluding the Closing Date Inventory, as defined below), to the location specified by Buyer. All Assets shall be packed for shipment and storage (at Buyer's expense) in accordance with good commercial practices, as necessary to ensure transport without damage. From and after the Closing, at Buyer's request and without further consideration, Seller shall execute and deliver such other instruments and take such other action as Buyer may reasonably require more effectively to convey and transfer to and vest in Buyer title to the Assets, and to place Buyer in possession and control thereof.

1.6 Purchase Price. The purchase price for the Assets shall be Three Hundred Twenty-four Thousand, Three Hundred Sixty-six Dollars and Twenty-four Cents (\$324,366.24), which represents the agreed to value of the Inventory as provided on Schedule 1.2(b) (the "Purchase Price"), payable by Buyer (i) delivering to Seller upon delivery of the Assets pursuant to Section 1.5, above.

1.7 Closing Date Inventory. On the Closing Date, Seller shall cause to be conducted a physical count as at the Closing Date (the "Closing Date Inventory"). Buyer shall be entitled to have representatives observe the Closing Date Inventory on its behalf. Buyer shall deliver to Seller within 10 days of the Closing Date, a list of such inventory. The Seller shall, promptly, but in no event more than 10 days, following receipt of such list, deliver such inventory to the Buyer, to the location specified by the Buyer.

1.8 Transfer of sales orders. All unshipped sales orders for Product booked on or after 30 September, 1998, but before the Closing Date, will be transferred to Buyer.

1.9 The Closing. The closing of the purchase and sale of the Assets (the "Closing") shall take place at 10:00 am at the offices of Buyer at Yorba Linda, CA on October 2, 1998 or at such other time and place as the parties hereto may mutually agree (the "Closing Date").

Article II. Representations and Warranties of Seller

As a material inducement to Buyer to enter into and perform this Agreement, Seller represents and warrants, that:

2.1 Organization and Corporate Authority. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to carry on its business as now conducted, and to consummate the transactions contemplated by this Agreement.

2.2 Authority. The execution and delivery by Seller of this Agreement and all other agreements and instruments required by the provisions of this Agreement have been duly authorized by all necessary action of Seller, and the consummation of the transactions herein or therein contemplated and the compliance with the terms, conditions and provisions hereof or thereof will not conflict with or

violate any provision of law or the Certificate of Incorporation or By-Laws of Seller, or result in a violation of or default in any provision of any regulation, order, writ, injunction or decree of any court or governmental agency or authority or of any agreement or instrument to which Seller is a party, or by which Seller is bound or to which Seller or any of the Assets is subject, or constitute a default thereunder or result in the imposition of any lien, charge, encumbrance or security interest of any nature whatsoever upon any of the Assets pursuant to the terms of any such agreement or instrument. Seller has full right, power and authority to execute, deliver and perform this Agreement and all other documents contemplated hereby, and to sell the Assets being sold by Seller hereunder. This Agreement, and all other agreements contemplated hereby which are to be executed by Seller, ~~when executed and delivered by Seller, when executed and delivered by Seller,~~ will constitute the valid and legally-binding obligations of Seller, enforceable in accordance with their terms, except as the enforceability of the Agreement or such other agreements may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting generally the enforcement of creditors' rights and except as the remedy of specific performance may be unavailable in certain cases.

2.3 Liabilities. As of the Closing Date, except as set forth in Schedule 2.3 hereto, Seller has no liabilities with respect to the Product, of any nature, whether accrued, absolute, contingent or otherwise, which will become liabilities of Buyer upon the consummation of the transactions contemplated herein.

2.4 Property. Seller has good and marketable title, free from any liens, mortgages, security interests, charges or encumbrances of any nature whatsoever to the Assets. All tangible personal property included in the Assets, including machinery and equipment, of Seller has been properly maintained and is, on the date hereof, in good order and repair and was, on the last date of service of each such item of equipment or supplies, operable. Seller has good right to use all of the Assets without infringing on the rights of any other person. All Closing Date Inventories are owned by Seller, free from any liens, mortgages, security interests, charges of encumbrances of any nature whatsoever. All Closing Date Inventories are in good condition, are merchantable and are fit for their intended purpose.

2.5 Contracts. All contracts and agreements, whether written or oral, which will become obligations of Buyer are listed on Schedule 2.5 hereto. None of the contracts listed on Schedule 2.5 adversely affects Seller's business with respect to the Product.

2.6 Litigation. Except as described in Schedule 2.6 hereto, there are no pending or, to the best of Seller's knowledge, threatened actions, suits or proceedings before any court, commission, agency or other administrative authority against or affecting Seller with respect to the Product or the Assets, or which would interfere with the operation of the Product related business or the transactions contemplated by this Agreement, and Seller is not the subject of any order or decree with respect to the Assets, other than those of general application.

2.7 Insurance, Customers and Suppliers. Schedule 2.7 hereto lists (a) all customers and distributors to whom Product was sold during the prior twelve months and (b) all vendors and other suppliers from or through whom Seller has purchased goods and services unique to the Product during the prior twelve months.

2.8 Finder's Fee. Seller has not incurred any obligation of any kind whatsoever to any person for a finder's fee in connection with the transactions contemplated by this Agreement.

2.9 Transactional Approvals. No approval, authorization, order, license or consent of, or registration, qualification or filing with any governmental authority, is required in connection with the execution, delivery or performance by Seller of this Agreement.

2.10 No Practices in Violation of Law. Seller has not engaged in and is not now engaging in any act, conspiracy or course of conduct with respect to the operation of the Product related business in violation of any applicable federal or state law governing business practice, and has not received any notice, claim or protest that is now or has heretofore been so engaged.

2.11 Disclosure. No representation or warranty made by Seller in this Agreement and no statement made in any of the exhibits or schedules furnished by Seller in connection with the transaction herein contemplated is false or misleading or omits to state any fact that is necessary to make any such representation or statement not misleading. To the best of Seller's knowledge, there is no fact which adversely affects or in the future may adversely affect the business, property, condition (financial or otherwise), or results of operations of Seller with respect to the Product and which has not been set forth in this Agreement or an exhibit or schedule hereto.

Article III. Representations and Warranties of Buyer

As a material inducement to Seller to enter into and perform this Agreement, Buyer represents and warrants, that:

3.1 Organization and Authority of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to execute and deliver this Agreement and to carry out the transactions contemplated by this Agreement.

3.2 Authority. The execution and delivery by Buyer of this Agreement and all other agreements and instruments required by the provisions of this Agreement have been duly authorized by all necessary action of Buyer, and the consummation of the transactions herein or therein contemplated and the compliance with the terms, conditions and provisions hereof or thereof will not conflict with or violate any provision of law or the Certificate of Incorporation or By-Laws of Buyer, or result in a violation of or default in any provision of any regulation, order, writ, injunction or decree of any court or governmental agency or authority or of any agreement or instrument to which Buyer is a party, or by which Buyer is bound or to which Buyer or any of its assets is subject, or constitute a default thereunder, or result in the imposition of any lien, charge, encumbrance or security interest of any nature whatsoever upon any of its assets pursuant to the terms of any such agreement or instrument. Buyer has full right, power and authority to execute, deliver and perform this Agreement and all other documents contemplated hereby. This Agreement and all other agreements and instruments contemplated hereby which are to be executed by Buyer, when executed and delivered by Buyer to Seller, will constitute the valid and legally binding obligations of Buyer, enforceable in accordance with their terms, except as the enforceability of the Agreement or such other agreements may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting generally the enforcement of creditors' rights and except as the remedy of specific performance may be unavailable in certain cases.

3.3 Finder's Fee. Buyer has not incurred any obligation of any kind whatsoever to any person for a finder's fee in connection with the transactions contemplated by this Agreement.

Article IV. Compensation and Indemnification

4.1 Compensation and Indemnification: General. Subject to all of the provisions of this Article IV, Seller, by its execution of this Agreement, hereby agrees to indemnify, defend with counsel reasonably satisfactory to Buyer, save and hold Buyer harmless from and against, and to compensate it for, any and all, demands, claims, actions, causes of action, assessments, damages, liabilities, losses, expenses, judgments or deficiencies of any nature whatsoever (including, without limitation, reasonable attorneys' fees and other costs and expenses incident to any suit, action or proceeding) received, incurred or sustained by Buyer which shall arise out of or result from (i) any breach of any representation, warranty or covenant (including, without limitation, those set forth in Article II hereof), or non-fulfillment of any obligation of Seller under this Agreement; (ii) the litigation disclosed on Schedule 2.6 hereto Seller's obligation of indemnification hereunder with respect to subsection (i) above, other than liability or obligations arising from a breach of the tax related representations set forth in Section 2.3 hereof and from a breach of the litigation related representations set forth in Section 2.6 hereof shall be limited to an amount equal to the amount paid to the Seller pursuant to this Agreement.

4.2 Survival of Representations and Warranties. This representations, warranties, covenants

and obligations of Seller set forth in this Agreement shall survive the Closing for two years, except that liability with respect to any representation, warranty, covenant or obligation as to which a claim is made within such two-year period shall continue until finally determined and paid. Any claim under this Article IV by Buyer must be made by written notice to Seller within said two-year period.

4.3 Third Party Claims. Should any claims be made or suit or proceeding be instituted against Buyer within the aforesaid two-year period which, if valid or prosecuted successfully, would be a matter for which Buyer is entitled to be defended, saved harmless or indemnified under this Article IV (a "Third Party Claim"), Buyer shall notify Seller in writing concerning the same promptly after the assertion or commencement thereof. Seller shall control the defense of any Third Party Claim and shall use its best efforts to defeat or minimize any loss resulting from such Third Party Claim. Seller shall provide Buyer with such information and opportunity for consultation as may reasonably be requested by it. Buyer shall be entitled, at its own expense, to participate in the defense of a Third Party Claim and to engage counsel for such purpose. Buyer shall render all assistance as Seller shall reasonably request (at Seller's expense) in the defense of any Third Party Claim.

4.4 Set-Off. Any amount or amounts due from Seller to Buyer under this Article IV may be paid at Buyer's option by set-off against any amount or amounts owing to Seller to the extent such amounts are sufficient, without prejudice to Buyer's right to pursue any other remedies at law or in equity.

Article V. Conditions Precedent to Buyer's Obligations

All obligations of Buyer under this Agreement are subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions, any one or more of which may be waived by Buyer:

5.1 No Adverse Litigation. On the Closing Date, no legal action, suit or proceeding shall be pending or threatened which seeks to restrain or prohibit the transactions contemplated by this Agreement.

Article VI. Post-Closing Covenants

6.1 Confidentiality. Seller shall not use for its own benefit or disclose to or use for the benefit of any person, any information concerning an confidential or proprietary information formerly belonging to Seller and transferred to Buyer pursuant to this Agreement.

6.2 Sales Taxes. Buyer shall furnish to Seller a properly executed Resale Exemption Certificate for the Closing Date Inventories, or, in the absence thereof, shall pay sales tax assessed by the [State of transfer] on the transfer of the Closing Date Inventories to Buyer. Buyer and Seller shall each provide the other with their respective federal tax identification numbers to facilitate any necessary tax filings.

Article VII. General

7.1 Further Assistance. The parties hereto agree:

(a) to execute and deliver any and all papers and documents which may be reasonably necessary to carry out the terms of this Agreement. The form and substance of all other documents hereunder shall be satisfactory in all reasonable respects to Seller and its counsel and to Buyer and its counsel.

(b) Seller to facilitate the transfer to Buyer of all regulatory documentation including, but not limited to, the Product 510(k)

(c) Seller to provide reasonable technical assistance, at Seller's facility, as required by Buyer, for a ninety (90) day period post Closing to facilitate the transfer of technical knowhow to Buyer. Buyer will reimburse Seller for all reasonable travel expenses that may be incurred by Seller in complying with this provision.

7.2 Entire Agreement. All schedules hereto shall be deemed to be incorporated into and made part of this Agreement. This Agreement, together with the schedules hereto, contains the entire agreement between the parties and there are no agreements, representations or warranties by any of the parties hereto which are not set forth herein. This Agreement may not be amended or revised nor shall any waiver of any provision hereof be waived except by a writing signed by the parties hereto. No course of dealing shall be deemed a waiver of a provision or obligation of this Agreement.

7.3 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that this Agreement and all rights hereunder may not be assigned by Seller, except by prior written consent of Buyer.

7.4 Separate Counterparts. This Agreement may be executed in several identical counterparts, all of which when taken together shall constitute but one instrument, and it shall not be necessary in any court of law to introduce more than one executed counterpart in proving this Agreement.

7.5 Transactional Costs. Each party to this Agreement shall be responsible for its own legal, accounting and other consulting services, if any, attendant to the negotiation and drafting of this Agreement and to the transactions contemplated by this Agreement.

7.6 Notices. All notices or other communications required hereunder, to the effective, shall be in writing and shall be personally delivered, set by reliable overnight delivery service or mailed by registered or certified mail, return receipt requested, postage and fees prepaid, to the party to be notified as follows: (i) if to Buyer to: 22705 Savi Ranch Parkway, Yorba Linda, CA 92887-5445, Attention: President, and (ii) if to Seller to: 500 Technology Court, Smyrna, GA 30082-5210, Attention: President, unless and until notice of another or different address shall be given as provided herein.

7.7 Severability. If any part of any term or provision of this Agreement shall be held or deemed to be invalid, inoperative or unenforceable to any extent by a court of competent jurisdiction, such circumstance shall in no way affect any other term or provision of this Agreement, the application of such term or provision in any other circumstances, or the validity or enforceability of this Agreement.

7.8 Captions; Gender. The captions herein have been inserted solely for convenience of reference and in no way define, limit or describe the scope or substance of any provision of this Agreement. All pronouns used herein shall include both the masculine and feminine gender as the context requires.

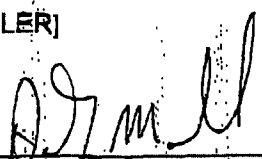
7.9 Survival. The provisions of Article IV, Article VI shall survive expiration or termination of this Agreement.

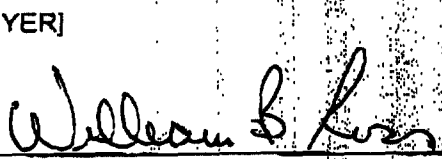
7.10 Governing Law. The execution, interpretation and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first written above.

[SELLER]

[BUYER]

By: 
Title: President

By: 
Title: President

List of Schedules:

Schedule 1.2 (b)	List of Inventories
Schedule 1.2 (c)	Technical Documentation
Schedule 1.2 (d)	List of Intellectual Properties
Schedule 1.3	Excluded Assets
Schedule 1.4	Assumed Liabilities and Obligations
Schedule 2.3	Liabilities
Schedule 2.5	Contracts
Schedule 2.6	Litigation
Schedule 2.7	Customers, Vendors & Supplies List

Schedule 1.2 (d)

List of Intellectual Properties

None Disclosed