

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
TAGA MEDICAL TECHNOLOGIES, INC.	12/16/2005
RECEIVING PARTY DATA	
Name:	SP MEDICAL LLC
Street Address:	3786 Ridge Road
City:	CLEVELAND
State/Country:	OHIO
Postal Code:	44144-1127
PROPERTY NUMBERS Total: 5	
Property Type	Number
Application Number:	11256237
Patent Number:	6827340
Patent Number:	D492772
Patent Number:	D464727
Patent Number:	D495049
CORRESPONDENCE DATA	
Fax Number:	(216)579-6073
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	216-579-1700
Email:	sdavis@pearnegordon.com
Correspondent Name:	Aaron A. Fishman
Address Line 1:	1801 East 9th Street
Address Line 2:	Suite 1200
Address Line 4:	CLEVELAND, OHIO 44114-3108
ATTORNEY DOCKET NUMBER:	SP MEDICAL

CH \$200.00 11256237

NAME OF SUBMITTER:

Aaron A. Fishman

Total Attachments: 19

source=Asset Purchase Agreement#page1.tif
source=Asset Purchase Agreement#page2.tif
source=Asset Purchase Agreement#page3.tif
source=Asset Purchase Agreement#page4.tif
source=Asset Purchase Agreement#page5.tif
source=Asset Purchase Agreement#page6.tif
source=Asset Purchase Agreement#page7.tif
source=Asset Purchase Agreement#page8.tif
source=Asset Purchase Agreement#page9.tif
source=Asset Purchase Agreement#page10.tif
source=Asset Purchase Agreement#page11.tif
source=Asset Purchase Agreement#page12.tif
source=Asset Purchase Agreement#page13.tif
source=Asset Purchase Agreement#page14.tif
source=Asset Purchase Agreement#page15.tif
source=Asset Purchase Agreement#page16.tif
source=Asset Purchase Agreement#page17.tif
source=Asset Purchase Agreement#page18.tif
source=Asset Purchase Agreement#page19.tif

ASSET PURCHASE AGREEMENT

By and Between

TAGA MEDICAL TECHNOLOGIES, INC.

SELLER

And

SP MEDICAL LLC

BUYER

Dated December 16, 2005

TABLE OF CONTENTS

ARTICLE 1 - PURCHASE AND SALE OF ASSETS

- SECTION 1.1. TRANSFERRED ASSETS
- SECTION 1.2. EXCLUDED ASSETS

ARTICLE II - ASSUMPTION OF LIABILITIES

- SECTION 2.1. ASSUMED LIABILITIES
- SECTION 2.2. EXCLUDED LIABILITIES

ARTICLE III - PURCHASE PRICE

- SECTION 3.1. ASSUMPTION OF LIABILITIES
- SECTION 3.2. ADJUSTMENT TO PURCHASE PRICE
- SECTION 3.3. ALLOCATION OF PURCHASE PRICE

ARTICLE IV - THE CLOSING

- SECTION 4.1. TIME AND PLACE OF CLOSING
- SECTION 4.2. DOCUMENTS TO BE DELIVERED AT CLOSING

ARTICLE V - REPRESENTATIONS AND WARRANTIES OF SELLER

- SECTION 5.1. ORGANIZATION AND STANDING
- SECTION 5.2. POWER AND AUTHORITY
- SECTION 5.3. CONSENTS AND APPROVALS
- SECTION 5.4. NO VIOLATIONS
- SECTION 5.5. CONDITION OF CERTAIN TRANSFERRED ASSETS
- SECTION 5.6. INTELLECTUAL PROPERTY RIGHTS
- SECTION 5.7. CONTRACTS
- SECTION 5.8. OBLIGATIONS; LITIGATION
- SECTION 5.9. TAXES; TAX RETURNS
- SECTION 5.10. COMPLIANCE WITH LAWS
- SECTION 5.11. BROKERS/ FINDERS
- SECTION 5.12. REPRESENTATIONS AND WARRANTIES ON CLOSING
- SECTION 5.13. MACHINERY AND EQUIPMENT
- SECTION 5.14. CONDUCT OF BUSINESS
- SECTION 5.15. ACCESS TO INFORMATION
- SECTION 5.16. FINANCIAL STATEMENTS
- SECTION 5.17. NO MATERIAL ADVERSE CHANGE
- SECTION 5.18. ACCOUNTS RECEIVABLE
- SECTION 5.19. TRADE ACCOUNTS PAYABLE

ARTICLE VI - REPRESENTATIONS AND WARRANTIES OF BUYER

- SECTION 6.1. ORGANIZATION

SECTION 6.2. POWER AND AUTHORITY
SECTION 6.3. CONSENTS AND APPROVALS
SECTION 6.4. NO VIOLATIONS
SECTION 6.5. BROKERS/FINDERS
SECTION 6.6. REPRESENTATIONS AND WARRANTIES ON CLOSING

ARTICLE VII - COVENANTS OF SELLER

SECTION 7.1. CONFIDENTIALITY AND NON-SOLICITATION

ARTICLE VIII - COVENANTS OF BUYER

SECTION 8.1. ACTIONS AND CONSENTS
SECTION 8.2. CONTINUED ASSISTANCE

ARTICLE IX - OTHER AGREEMENTS AMONG THE PARTIES

SECTION 9.1. EXPENSES
SECTION 9.2. BULK TRANSFER LAWS
SECTION 9.3. TAX RETURNS AND REPORTS

ARTICLE X - CONDITIONS OF CLOSING

SECTION 10.1. OBLIGATION OF BUYER TO CLOSE
SECTION 10.2. OBLIGATION OF SELLER TO CLOSE

ARTICLE XI - INDEMNIFICATION

SECTION 11.1. INDEMNIFICATION
SECTION 11.2. INDEMNITY LIMITS

ARTICLE XII - MISCELLANEOUS

SECTION 12.1. INTENTIONALLY LEFT BLANK
SECTION 12.2. PUBLICITY
SECTION 12.3. ENTIRE AGREEMENT
SECTION 12.4. NOTICES
SECTION 12.5. WAIVERS AND AMENDMENTS
SECTION 12.6. COUNTERPARTS
SECTION 12.7. SEVERABILITY
SECTION 12.8. ASSIGNMENT
SECTION 12.9. SURVIVAL

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") dated as of the ___ day of December, 2005 is by and between **TAGA MEDICAL TECHNOLOGIES, INC.**, an Ohio corporation ("Seller") and **SP MEDICAL LLC**, an Ohio Limited Liability Company ("Buyer").

WHEREAS, Seller is engaged in the business of designing and engineering medical products (hereinafter generally referred to as the "Business"); and

WHEREAS, Seller desires to sell, assign and transfer, and Buyer desires to purchase and acquire, all of the assets, properties and rights used by Seller in the operation of the Business on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I
PURCHASE AND SALE OF ASSETS

SECTION 1.1. TRANSFERRED ASSETS. Subject to the terms and conditions set forth in this Agreement, Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller, on the Closing Date, all of the right, title and interest of Seller in and to all of the properties, assets and rights relating to, or held or used in connection with, the Business including without limitation the assets described below (all of which are sometimes collectively referred to herein as the "Transferred Assets"):

- (a) all machinery, equipment, dies, and other items of personal property used in connection with the Business, including, without limitation, those listed on Schedule 1 attached hereto (the "Machinery and Equipment");
- (b) all right, title and interest of Seller in and to the leases, contracts, licenses, purchase orders, sales orders, commitments, consignments and other agreements relating to the Business which are listed on Schedule 2 attached hereto (the "Contracts");
- (c) all patents, trade names, service marks, trademarks, trademark registrations and trademark applications which are listed on Schedule 3 and all proprietary processes, and all other information, know-how, and trade secrets used by Seller in connection with the Business (collectively, the "Intellectual Property");
- (d) all right, title and interest of Seller in and to the Business as a going concern, including, without limitation, its goodwill, all phone numbers, the name

"Taga" and all other intangible assets associated with the Business;

(e) all books and records relating to the Business, including, without limitation, mailing lists and customer and vendor lists, advertising matter, catalogs, price lists, distribution lists, sales and promotional records, and quality control records and procedures;

(f) all raw material, inventory and work in process of the Business (the "Inventory") Inventory as of 9/30/05 attached as Schedule 5;

(g) all accounts receivable and monies due Seller arising out of the operation of the Business, including deposits and prepaid expenses, as set forth on Schedule 6;

(h) cash balances in the Seller's accounts on the Closing Date (as hereinafter defined);

The Transferred Assets shall be conveyed free and clear of all liabilities, obligations, liens and encumbrances excepting only those liabilities and obligations that are expressly agreed to be assumed by Buyer hereunder.

SECTION 1.2 EXCLUDED ASSETS. The Transferred Assets shall not include the assets listed on Schedule 4 hereof which are owned personally by shareholders of Seller.

ARTICLE II ASSUMPTION OF LIABILITIES

SECTION 2.1. ASSUMED LIABILITIES. On the Closing Date, simultaneously with the transfer by Seller to Buyer of the Transferred Assets, Buyer shall assume and shall pay or cause to be paid or otherwise discharged, as the same become due, the following liabilities and obligations of Seller relating to the Business and existing at the Closing Date (all of which are sometimes collectively referred to herein as the "Assumed Liabilities"):

(a) all payables and monies owed by Seller for materials, supplies and operation of the Business prior to the Closing Date as set forth on Schedule 7;

(b) all obligations of the Seller under unfilled customer orders which have been accepted in the ordinary course of business consistent with past practice and under the Contracts set forth on Schedule 2;

(c) the line of credit payable to National City Bank; and

(d) the shareholder notes and loans as shown on the September 30, 2005, Balance Sheet totaling \$159,419 at that date.

SECTION 2.2. EXCLUDED LIABILITIES. Buyer does not and shall not assume, pay, perform or discharge any liabilities or obligations of Seller other than the Assumed Liabilities, and Buyer shall not assume and shall not be liable for any of such liabilities or obligations of Seller (all of which are sometimes referred to collectively herein as "Excluded Liabilities"). Without limiting the generality of the foregoing, the following are examples of Excluded Liabilities:

- (a) liabilities or obligations of the Seller which may arise by reason of or with respect to this Agreement or the transaction contemplated hereunder (including, without limitation, legal and accounting fees);
- (b) contingent liabilities and obligations whenever arising, whether before or after the Closing Date, in respect of claims of third parties relating to the conduct of the Business or ownership of the Transferred Assets or the Assumed Liabilities prior to the Closing Date, including, without limitation, any claims made or litigation brought alleging violations of law or regulation, including without limitation, immigration law, or any breach of obligation or any damage to person or property;
- (c) liabilities and obligations arising under or imposed pursuant to environmental and safety requirements, including, without limitation, those associated with the alleged or actual release or threatened release of any noise, pollutant, contaminant or hazardous waste, constituent or other substance into the environment or otherwise relating to or arising from the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of any pollutant, contaminant, toxic or hazardous waste, constituent or other substance during any period prior to the Closing Date, whether or not attributable to actions or failures to act by Seller, with respect to operation of or properties used in connection with the Business at any time prior to the Closing Date ("Environmental Claims"); and
- (d) liabilities and obligations under or with respect to any employee benefit and welfare plan, program, contract, arrangement, or payroll practice covering past or present employees of the Seller and their beneficiaries.

ARTICLE III PURCHASE PRICE

SECTION 3.1. ASSUMPTION OF LIABILITIES. In consideration for the transfer, conveyance and assignment of the Transferred Assets and the Non-Competition Covenant contained in Section 7.1, on the Closing Date, Buyer shall assume the Assumed Liabilities as provided in Section 2.1.

SECTION 3.2. ADJUSTMENT TO PURCHASE PRICE. The Purchase Price shall be

adjusted by any increase or decrease in the net book value of the Transferred Assets and Assumed Liabilities on the Closing Date from the value on Seller's Balance Sheet at September 30, 2005. If Assumed Liabilities exceeds the net book value of the Transferred Assets by more than \$136,856 on the Closing Date, Buyer shall reduce the amount of Assumed Liabilities by that amount. The reduction shall be pro rata among the shareholders of Seller. If Assumed Liabilities exceeds the net book value of the Transferred Assets by less than \$136,856 on the Closing Date, Buyer shall pay the difference to Seller by check on the Closing Date.

SECTION 3.3. ALLOCATION OF THE PURCHASE PRICE. The Purchase Price shall be allocated by Buyer and Seller among the Transferred Assets and the Non-Competition Covenant contained in Section 7.1. Seller and Buyer agree to file such form as may be required by Section 1060 of the Internal Revenue Code.

ARTICLE IV THE CLOSING

SECTION 4.1. TIME AND PLACE OF CLOSING. The closing of the transactions contemplated by this Agreement (the "Closing") shall be effective December 31, 2005 and shall take place at Buyer's offices in Cleveland Ohio, as soon as reasonably possible after execution of this Agreement, but no later than 60 days from the date of this Agreement, provided that all of the conditions precedent to the obligations of Buyer and Seller to close shall have been fulfilled, complied with or waived, or at such other place or at such other time or date as Buyer and Seller shall agree upon in writing (the "Closing Date").

SECTION 4.2. DOCUMENTS TO BE DELIVERED AT CLOSING. At the Closing, the parties hereto shall make the deliveries described below, provided the obligation of each to do so shall depend upon the performance by the other party of its obligations hereunder:

(a) Seller shall deliver or cause to be delivered, to Buyer, the following documents which shall be in such form as may be reasonably approved by counsel for Buyer:

- (1) a bill of sale and other good and sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer good and marketable title to the Transferred Assets;
- (2) assignment(s) of all Contracts;
- (3) assignment of the Intellectual Property;
- (4) the officer's certificate required under Section 10.1(a) hereof; and
- (5) such other instruments of assignment, transfer, conveyance,

endorsement or authorization needed to vest in Buyer all of Seller's right, title and interest in and to the Transferred Assets.

(b) Buyer shall deliver or cause to be delivered, to Seller, documents which shall be in such form as may be reasonably approved by counsel for Seller:

- (1) a check in the amount of any adjustment to the Purchase Price payable by Buyer pursuant to Section 3.2.;
- (2) an instrument or instruments, in a form reasonably satisfactory to Seller, by which Buyer assumes the Assumed Liabilities;
- (3) the officer's certificate required under Section 10.2(a) hereof; and
- (4) Employment Agreements for Gary Austin and Tim Austin in the form of Exhibit B attached hereto.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

SECTION 5.1. ORGANIZATION AND STANDING. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio and has full power and authority to carry on its business as and where now conducted and to own or lease and operate its properties at and where now owned or leased and operated by it, and to carry out the transactions contemplated by this Agreement. Seller is qualified to conduct business and is in good standing in every jurisdiction where failure to so qualify would have a material adverse effect upon the Transferred Assets or the Seller's ability to consummate the transactions contemplated hereby.

SECTION 5.2. POWER AND AUTHORITY. The Seller has all requisite power and authority, corporate or otherwise, to enter into this Agreement and to assume and perform fully its obligations hereunder. The execution and delivery of this Agreement and the performance of the Seller's obligations hereunder have been duly and validly authorized by all necessary corporate action and no further action or approval, corporate or otherwise, is required in order to make this Agreement a valid, binding and enforceable obligation of Seller in accordance with its terms. This Agreement constitutes, and the instruments of conveyance to be executed and delivered by Seller at Closing will constitute, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their terms.

SECTION 5.3. CONSENTS AND APPROVALS. No filings with, notices to, or approvals of any United States governmental or regulatory body or any governmental or regulatory agency of any state or local government or any other person are necessary to be obtained by Seller

for the consummation of the transactions contemplated herein.

SECTION 5.4. NO VIOLATIONS. The execution and delivery of this Agreement and the performance by Seller of its obligations hereunder (i) do not and will not conflict with or violate any provision of the corporate organizational documents of Seller, (ii) do not and will not conflict with or result in any breach of any condition or provisions of, or constitute a default or give rise to any right of termination or acceleration under, any law, order, injunction, decree, contract, lease, agreement, or indenture to which Seller is a party or by which the Transferred Assets are bound, (iii) do not and will not conflict with any agreement affecting any Transferred Assets or Assumed Liabilities and (iv) do not and will not result in the creation of any lien or other encumbrance on any Transferred Asset.

SECTION 5.5. CONDITION OF CERTAIN TRANSFERRED ASSETS. The Machinery and Equipment are in good operating condition, reasonable wear and tear excepted, and have been maintained and repaired on a regular basis so as to preserve their utility and value and comply with all laws and regulations.

SECTION 5.6. INTELLECTUAL PROPERTY RIGHTS. Schedule 3 is a correct and complete list of the Intellectual Property. Seller owns and possesses all right, title and interest in and to, or has a valid license to use, all of the Intellectual Property necessary for the operation of the Business as presently conducted and has the right to transfer the benefits thereof to Buyer. The operation of the Business by Seller does not infringe upon or misappropriate the patents, trademarks, service marks, trade names, trade secrets, copyrights, licenses or rights to know-how of any other entity, and there are no pending claims against Seller alleging any such infringement or misappropriation or contesting the validity, enforceability, use or ownership of any intellectual property rights utilized in connection with the Business. Seller has not received any notices of any infringement or misappropriation by, or conflict with any third party with respect to any trademarks, service marks, trade names, trade secrets, copyrights, licenses or rights to know-how used in the Business.

SECTION 5.7. CONTRACTS. Except as disclosed in Schedule 2, Seller is not in breach of any of the Contracts set forth on Schedule 2, nor to its knowledge is any third party in breach of such Contracts, in either case except for such breaches as, individually or in the aggregate, do not and will not have an adverse effect on the Business with respect to the Contract(s) in question. True and complete copies of all Contracts set forth on Schedule 2 have previously been delivered to Buyer and, except as set forth on Schedule 2, all such agreements are assignable by Seller to Buyer without the consent of any other entity.

SECTION 5.8. OBLIGATIONS; LITIGATION. There are no claims, actions, suits, or proceedings pending or, to Seller's knowledge, threatened before or by any court or governmental agency against Seller with respect to the Business or otherwise affecting any of the Transferred Assets or Assumed Liabilities. The Seller is not presently subject to any injunction, order or other decrees of any court of competent jurisdiction.

SECTION 5.9. TAXES; TAX RETURNS.

(a) For purposes of this Agreement, the term "Tax Liability" shall mean any liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated and whether due or to become due) with respect to taxes.

(b) Seller has timely filed all required tax reports and returns, and all such reports and returns are correct and complete in all material respects. All taxes that are due and payable arising from the operations of the Business have been paid or adequate provisions made therefor, whether or not such taxes are shown on any report or return. No claim has ever been made by an authority in a jurisdiction where Seller does not file reports and returns that it is or may be subject to taxation by that jurisdiction.

(c) Seller has withheld and paid or accrued all taxes required to have been withheld and paid in connection with amounts paid or owing to any employee.

(d) Seller has never been (or has any liability for unpaid taxes because it once was) a member of an "affiliated group."

SECTION 5.10. COMPLIANCE WITH LAWS. The Business has been conducted in compliance with all applicable laws and regulations of federal, state and local governments.

SECTION 5.11. BROKERS/FINDERS. No broker's, finder's or any similar fee has been incurred by, or on behalf of, Seller in connection with the origin, negotiation, execution or performance of this Agreement or the transactions contemplated hereby.

SECTION 5.12. REPRESENTATIONS AND WARRANTIES ON CLOSING DATE. The representations and warranties contained in this Article V shall be true, correct and complete on and as of the Closing Date as though they had been made on the Closing Date.

SECTION 5.13. MACHINERY AND EQUIPMENT. The assets, equipment, dies, and other items of personal property used in connection with the Business which are listed on Schedule 1 are all that is necessary to the operation of the Business.

SECTION 5.14. CONDUCT OF BUSINESS. Prior to Closing, except as contemplated by this Agreement or any schedule, or otherwise consented to be Buyer in writing, Seller has and shall:

- (a) carry on the Business only in the usual, regular and ordinary course in substantially the same manner as heretofore and use reasonable efforts to preserve intact its present organization and preserve its relationships with customers, suppliers and others having business dealings with it;
- (b) keep in full force and effect insurance comparable in amount and scope of coverage to insurance now carried by the Seller on the Transferred Assets.

- (c) perform in all material respects all obligations of the Seller under leases, agreements, contracts and instruments relating to or affecting the Business;
- (d) not create any liens or other security interest on the Transferred Assets.

SECTION 5.15. ACCESS TO INFORMATION. Prior to the Closing Date, Seller will (i) give Buyer and its authorized representatives (including counsel, accountants and lenders) reasonable access to all facilities and property of the Seller, (ii) permit Buyer and its authorized representatives to make such inspections thereof as Buyer may reasonably require and (iii) furnish Buyer and its representatives and advisers with such financial and operating data and other information with respect to the Business and Transferred Assets as Buyer may from time to time reasonably request; provided, however, that any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the Business.

SECTION 5.16. FINANCIAL STATEMENTS. The financial statements and all tax returns of Seller previously delivered to Buyer as at September 30, 2005, and for the years 2001 through 2004 have been prepared in conformity with generally accepted accounting principles applied on a consistent basis for such periods and fairly present the financial condition of Seller as of such dates and the results of operations of Seller for the periods then ended.

SECTION 5.17. NO MATERIAL ADVERSE CHANGE. To the best of Seller's knowledge, there has not been any material adverse change in the Business or in the Transferred Assets since September 30, 2005.

SECTION 5.18. ACCOUNTS RECEIVABLE. Attached as Schedule 6 is a true, correct and complete list of all Accounts Receivable being transferred to Buyer pursuant to this Agreement.

SECTION 5.19 TRADE ACCOUNTS PAYABLE. Attached as Schedule 7 is a true, correct and complete list of all Trade Accounts Payable being assumed by Buyer pursuant to this Agreement.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

SECTION 6.1. ORGANIZATION. Buyer is an Ohio Limited Liability Company duly organized and existing under the laws of Ohio and has the authority to own its properties and to carry on its business as now conducted and to carry out the transactions contemplated by this Agreement.

SECTION 6.2. POWER AND AUTHORITY. Buyer has all requisite power and authority to enter into this Agreement and to assume and perform fully its obligations hereunder. The execution and delivery of this Agreement and the performance by Buyer of its obligations hereunder have been duly and validly authorized by all necessary action and no further action or approval is required in order to make this Agreement a valid, binding and enforceable obligation of Buyer in accordance with its terms. This Agreement constitutes, and the instruments to be executed and delivered by Buyer at Closing will constitute, legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their terms.

SECTION 6.3. CONSENTS AND APPROVALS. No filings with, notices to, or approvals of any United States governmental or regulatory body or any governmental or regulatory agency of any state or local government or any other person are necessary to be obtained by Buyer for the consummation of the transactions contemplated hereby.

SECTION 6.4. NO VIOLATIONS. The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby (i) do not and will not conflict with or violate any provision of its organizing documents; (ii) do not and will not conflict with or result in the breach of any material contract or other agreement to which Buyer is a party or by which it is bound; or (iii) violate any order of any federal, state or local governmental or regulatory body or agency against or binding upon Buyer.

SECTION 6.5. BROKERS/FINDERS. No broker's, finder's or any similar fee has been incurred by, or on behalf of, Buyer in connection with the origin, negotiation, execution or performance of this Agreement or the transactions contemplated hereby.

SECTION 6.6. REPRESENTATIONS AND WARRANTIES ON CLOSING DATE. The representations and warranties contained in this Article VI shall be true and complete on and as of the Closing Date with the same force and effect as though such representation and warranties had been made on and as of the Closing Date.

ARTICLE VII COVENANTS OF SELLER

SECTION 7.1. CONFIDENTIALITY AND NON-SOLICITATION COVENANT. For a period of three (3) years following the Closing Date, Denny Wollschleger, Chris Callsen and Joe Lewarski shall not, directly or indirectly, through any affiliate or otherwise, solicit any employees or customers of Buyer or Superior Products, Inc.. Denny Wollschleger, Chris Callsen and Joe Lewarski further agree not to disclose any confidential information about the Business, Superior Products, Inc., or Buyer to any third party. Buyer shall have the right and remedy to have such covenant specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of such covenant would cause irreparable injury to Buyer and the Business and that money damages would not provide an adequate remedy to Buyer. This right of specific performance is in addition to, and not in lieu of, any other rights and remedies available to Buyer under law or in equity.

ARTICLE VIII
COVENANTS OF BUYER

SECTION 8.1. ACTIONS AND CONSENTS. Buyer shall use all reasonable efforts to take or cause to be taken all action and to do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including without limitation, to obtain all consents, approvals and authorizations of third parties and to make all filings with and give all notice to third parties which may be necessary or required in order to effectuate the transactions contemplated hereby, provided that Buyer shall not be required to pay money to obtain any such consent, approval or other authorization. Seller shall cooperate with Buyer in obtaining consents, approvals and other authorizations.

SECTION 8.2. CONTINUED ASSISTANCE. At all times, from and after the Closing Date, Buyer shall cooperate with Seller and provide such assistance as Seller may reasonably request, at Seller's expense, in connection with the defense or prosecution of any claims, actions, suits or investigations arising out of the conduct of the Business prior to the Closing Date.

ARTICLE IX
OTHER AGREEMENTS AMONG THE PARTIES

SECTION 9.1. EXPENSES. Except as otherwise specifically provided in this Agreement, each party hereto shall pay its own expenses incident to this Agreement and the transactions contemplated hereby, including legal and accounting fees and disbursements.

SECTION 9.2. BULK TRANSFER LAWS. Buyer hereby waives compliance by Seller with the provisions of any so-called "bulk transfer law" of any jurisdiction in connection with the sale of the Transferred Assets to Buyer. Seller shall indemnify and hold harmless Buyer against any and all liabilities which may be asserted by third parties against Buyer as a result of noncompliance with any such bulk transfer law, other than liabilities which Buyer shall have expressly assumed pursuant to this Agreement.

SECTION 9.3. TAX RETURNS AND REPORTS. Seller shall have responsibility for filing all federal, state or local tax returns or reports required to be filed by or on behalf of the Seller for all taxable periods ending on or before the Closing Date and shall have responsibility for all Taxes due or assessed for such periods. Buyer shall have responsibility for filing all federal, state or local tax returns or reports required to be filed for all taxable periods ending after the Closing Date with respect to operations of Buyer after the Closing Date. Each party shall furnish all information and records reasonably available to such party and reasonably requested by the other party as necessary or appropriate for use in connection with the preparation and filing of such returns.

ARTICLE X
CONDITIONS OF CLOSING

SECTION 10.1. OBLIGATION OF BUYER TO CLOSE. The obligation of the Buyer to close hereunder shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions, or the written waiver thereof by Buyer:

- (a) **Representations and Covenants.** The representations and warranties of Seller contained in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date. Seller shall have performed and complied with all covenants and agreements required by this Agreement to be performed or complied with by Seller on or prior to the Closing Date. Seller shall have delivered to Buyer a certificate dated the Closing Date and signed by an executive officer of Seller to the foregoing effect and stating that all conditions to Seller's obligations hereunder have been satisfied.
- (b) **No Injunction.** No injunction or restraining order shall be in effect which forbids or enjoins the consummation of the transactions contemplated by this Agreement and no federal, state or local statute, rule, or regulation shall have been enacted which prohibits, restricts or delays the consummation hereof.
- (c) **Consents.** All consents, permits or waivers necessary for the consummation of the transactions contemplated by this Agreement shall have been obtained.
- (d) **Bill of Sale, etc.** Buyer shall have received bills of sale, consents, assignments and other documents of transfer, conveyance and assignment valid to transfer all of the Transferred Assets to Buyer, in each case in form and substance reasonably satisfactory to counsel for Buyer.
- (e) **No Material Adverse Change.** There shall have been no material adverse change in the Business or in the condition of the Transferred Assets.
- (f) **Due Diligence.** Buyer shall have conducted a full due diligence investigation concerning the Transferred Assets and Assumed Liabilities and all aspects of the Business (including the matters set forth in the Schedules to this Agreement), and the Buyer shall have concluded in the Buyer's sole discretion that it is satisfied with its findings.
- (g) **Financing.** Buyer shall have obtained financing to consummate the transactions hereunder upon terms and conditions satisfactory to Buyer.

SECTION 10.2. OBLIGATION OF SELLER TO CLOSE. The obligation of Seller to close hereunder shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions, or the written waiver thereof by Seller:

- (a) **Representations and Covenants.** The representations and warranties of Buyer contained in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of the

Closing Date. Buyer shall have performed and complied with all covenants and agreements required by this Agreement to be performed or complied with by Buyer on or prior to the Closing Date

- (b) No Injunction. No injunction or restraining order shall be in effect which forbids or enjoins the consummation of the transactions contemplated by this Agreement and no federal, state or local statute, rule or regulation shall have been enacted which prohibits, restricts or delays the consummation hereof.

ARTICLE XI INDEMNIFICATION

SECTION 11.1. INDEMNIFICATION.

(a) By Seller. Seller shall defend, indemnify and hold harmless Buyer and its officers and directors, at all times from and after the Closing Date, against and in respect of any and all damages, costs, liabilities, losses and expenses incurred by Buyer arising from or related to (i) any breach of any of the representations and warranties made herein by Seller, (ii) any breach by Seller of the covenants and agreements made by it herein, (iii) liabilities for Taxes attributable to any period or portion thereof ending on or before the Closing Date, and (iv) the Excluded Liabilities.

(b) By Buyer. Buyer shall defend, indemnify and hold harmless Seller and its officers and directors, at all times from and after the Closing Date, against and in respect of any and all damages, costs, liabilities, losses and expenses actually incurred by Seller arising from (i) any breach of any of the representations and warranties made herein by Buyer; (ii) any breach by Buyer of its covenants, agreements, and obligations set forth herein, (iii) the Assumed Liabilities, and (iv) operation by Buyer of the Business after the Closing Date.

SECTION 11.2. INDEMNITY LIMITS.

(a) Indemnification claims shall be reduced, by and to the extent, that an indemnitee shall (i) actually receive proceeds under insurance policies, risk sharing pools, or similar arrangements specifically as a result of, and in compensation for, the subject matter of an indemnification claim by an indemnified party and (ii) actually receive tax benefits as a result of utilized deductions arising solely due to the subject matter of an indemnification claim by an indemnified party; provided that to the extent that any tax benefit accrues in a tax year other than the year in which the indemnification claim is paid, the indemnified party shall make a payment to the indemnitor in the amount of such tax benefit in the year in which the tax benefit accrues.

- (b) No party shall have any liability in respect of indemnification hereunder until the total dollar amount arising thereunder for all such claims exceeds ten thousand dollars (\$10,000.00).
- (c) In no event shall Seller or its shareholders be liable for indemnification hereunder in an amount that exceeds in the aggregate the Purchase Price.

ARTICLE XII
MISCELLANEOUS

SECTION 12.1. Intentionally Left Blank

SECTION 12.2. PUBLICITY. No publicity release or announcement concerning this Agreement or the transactions contemplated hereby shall be made without advance approval thereof by Seller and Buyer, except as required by law.

SECTION 12.3. ENTIRE AGREEMENT. This Agreement, the Schedules attached hereto, set forth the entire agreement of the parties with respect to the subject matter hereof. The representations, warranties, covenants and agreements set forth in this Agreement and in any financial statements, schedule or exhibits delivered pursuant hereto constitute all the representations, warranties, covenants and agreements of the parties hereto and upon which the parties have relied, and except as specifically provided herein, no change, modification, amendment, addition, or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith.

SECTION 12.4. NOTICES. All notices, communications and deliveries hereunder shall be made in writing signed by the party making the same, shall specify the section hereunder pursuant to which it is given or being made, and shall be deemed given or made upon receipt by the other party addressed as follows:

To the Seller: Taga Medical Technologies, Inc.
34675 Vokes Dr. Suite 105
Eastlake, Ohio 44095

To the Buyer: S P Medical LLC c/o Superior Products, Inc.
3786 Ridge Road
Cleveland, Ohio 44144

with a copy to: Timothy F. Geisse, Esq.
100 North Main St. Suite 350
Chagrin Falls, OH 44022

or to such other representative or at such other address of a party as such party hereto may furnish to the other party in writing.

SECTION 12.5. WAIVERS AND AMENDMENTS. This Agreement may be amended, superseded, canceled, renewed or extended and the terms hereof may be waived only by a written instrument signed by the parties hereto, or, in the case of a waiver, by the party waiving compliance.

SECTION 12.6. COUNTERPARTS. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same instrument and all such executed counterparts may be delivered by facsimile transmission.

SECTION 12.7. SEVERABILITY. Should any clause, section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, sections or parts of this Agreement shall nevertheless continue in full force and effect.

SECTION 12.8. ASSIGNMENT. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Agreement or any rights or obligations hereunder shall not be assignable by either party.

SECTION 12.9. SURVIVAL. The covenants and obligations of the parties to this Agreement shall survive the consummation of the transactions contemplated herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date and year first above written.

"SELLER"

TAGA MEDICAL TECHNOLOGIES, INC.

By: _____

Title: CHAIRMAN

"BUYER"

S P MEDICAL LLC

By: _____

Title: President, Superior Products, Inc.

With respect to the provisions of Section 7.1:

Denay Wollschlaeger, individually

Joe Lewanski, individually

Chris Callsen, individually

LIST OF SCHEDULES

SCHEDULE 1 - MACHINERY AND EQUIPMENT

SCHEDULE 2 - CONTRACTS

SCHEDULE 3 - INTELLECTUAL PROPERTY

SCHEDULE 4 - EXCLUDED ASSETS

SCHEDULE 5 - INVENTORY

SCHEDULE 6 - ACCOUNTS RECEIVABLE

SCHEDULE 7 - TRADE ACCOUNTS PAYABLE

LIST OF EXHIBITS

EXHIBIT B FORM OF EMPLOYMENT AGREEMENT

TAGA Medical Technologies, Inc.

SCHEDULE 3

Patent Report by Invention

Status: ACTIVE

Printed: 12/15/2005

Page 1

COUNTRY	REFERENCE#	TYPE	FILED	SERIAL#	ISSUED	PATENT#	STATUS	
CPAP HUMIDIFIER								
UNITED STATES	P32868US1	FCA	8/13/2001	09/928,896	12/7/2004	6,827,340	ISSUED	
CPAP PRESSURE METER								
UNITED STATES	P35067US0	NEW	11/18/2002	29/171,160	7/6/2004	D 492,772	ISSUED	
DUAL SCALE CONTROL KNOB FOR AN OXYGEN CONSERVING REGULATOR								
UNITED STATES	P37152US1	FCA	10/21/2005	11/256,237			PENDING	
GEL FILLED FOREHEAD CUSHION FOR A CPAP MASK								
UNITED STATES	P33822US0	NEW	8/23/2001	29/147,159	10/22/2002	D 464,727	ISSUED	
METERED DOSE INHALER HAVING SPACING DEVICE								
UNITED STATES	P38795US0	NEW	10/4/2005	60/723,500			PENDING	
OXYGEN CONSERVING REGULATOR								
UNITED STATES	P35620US0	NEW	8/24/2003	29/185,301	8/24/2004	D 495,049	ISSUED	
END OF REPORT					TOTAL ITEMS SELECTED =			6