

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
AI MEDICAL SEMICONDUCTOR	12/31/2009
RECEIVING PARTY DATA	
Name:	ELA MEDICAL SAS
Street Address:	Parc d'Affairs Noveos 4, avenue Reaumur
City:	Clamart Cedex
State/Country:	FRANCE
Postal Code:	92140
PROPERTY NUMBERS Total: 3	
Property Type	Number
Application Number:	11552583
Application Number:	61162303
Application Number:	61109194
CORRESPONDENCE DATA	
Fax Number:	(703)892-4510
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	7034861150
Email:	simon@pyi.co.il
Correspondent Name:	PYI Tech, Ltd. c/o LandonIP, Inc.
Address Line 1:	1725 Jamieson Ave.
Address Line 4:	Alexandria, VIRGINIA 22314
ATTORNEY DOCKET NUMBER:	AIS-001/003/005
NAME OF SUBMITTER:	Simon Kahn - Reg. No. 48249
Total Attachments: 21 source=Redacted copy - Asset purchase agreement#page1.tif source=Redacted copy - Asset purchase agreement#page2.tif	

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Execution Version

ASSET PURCHASE AGREEMENT

Dated as of December 31, 2009

BETWEEN

ELA MEDICAL SAS

AND

AI MEDICAL SEMICONDUCTORS LTD.

26615-1658789/14

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TABLE OF CONTENTS

	Page
1. DEFINITIONS AND INTERPRETATION	3
2. ACQUISITION OF ASSETS	5
3. PURCHASE PRICE AND PAYMENT	6
4. CONFIDENTIALITY	7
5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY	7
6. REPRESENTATIONS AND WARRANTIES OF ELA	9
7. COVENANTS OF THE COMPANY	10
8. ADDITIONAL ACTIONS	11
9. CONDITIONS PRECEDENT	12
10. CLOSING	14
11. TERMINATION	14
12. MISCELLANEOUS	15

SCHEDULES

- 5.4 REQUIRED CONSENTS: GOVERNMENT ENTITIES AND COURT
- 5.5.1(B) PATENTS
- 5.5.1(C) TRADE NAMES
- 5.5.1(G) LICENSES AND OTHER RIGHTS IN THIRD PARTY PRODUCTS

EXHIBITS

- 2.4 BILL OF SALE
- 5.5.1(A) JDA

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of the 31 day of December, 2009 (this "Agreement"), by and among:

1. **ELA MEDICAL SAS**, a French company and a member of the Sorin Group of companies, of Parc d'Affaires Noveos, 4, avenue Reaumur, 92140 Clamart Cedex, France ("ELA"); and
2. **AI MEDICAL SEMICONDUCTORS LTD**, a company incorporated under the laws of the State of Israel, of Hefer Granot, Ha Galil, Israel (the "Company"), represented by Lior Mazor, Israeli Identity Number 31814312, in his capacity as the court appointed receiver over the Company's assets (the "Receiver").

RECITALS

WHEREAS:

- A. The Company has been engaged in the research, development and marketing of technology related to an implanted adaptive cardiac resynchronization therapy device, based on its intellectual property, including, but not limited to, patented spiking neural network processor.
- B. The Court (as defined below) has appointed the Receiver as a receiver over the Company's assets under the Companies Ordinance [New Version].
- C. ELA desires to acquire the Acquired Assets, as defined below.
- D. The Receiver in accordance with instructions he has received from the court, deems it to be in the best interests of the Company's creditors to sell the Acquired Assets to ELA, and to transfer and assign to ELA any contractual obligations that may be required to fully transfer the Acquired Assets on the terms and subject to the conditions hereinafter set forth.

INTENDING TO BE LEGALLY BOUND, and in consideration of the premises and the mutual representations, warranties, covenants and agreements contained herein, the parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 The following terms shall have the following meanings:

"Acquired Assets"	Company Intellectual Property
"Acquired Patents"	As defined in Section 5.5.1(b)

24001-704813/8

"Advance"	As defined in Section 3.1.
"Closing" and "Closing Date"	As defined in Section 10.
"Company Intellectual Property"	As defined in Section 5.5.1.
"Confidential Information"	<p>Any and all information and know-how of a private, secret or confidential nature, in whatever form, that relates to the business, financial condition, technology and/or products of the Company, customers, potential customers, suppliers or potential suppliers, whether or not marked or otherwise designated as "confidential", "proprietary" or with any other legend indicating its proprietary nature. By way of illustration and not limitation, Confidential Information includes all forms and types of financial, business, technical, or engineering information and know-how, including but not limited to specifications, designs, techniques, methods, compilations, inventions and developments, products, equipment, algorithms, computer programs (whether as source code or object code), marketing and customer, vendor and personal information, projections, plans and reports, and any other data, documentation, or information related thereto, as well as improvements thereof, whether in tangible or intangible form, and whether or not stored, compiled or memorialized in any media or in writing.</p> <p>"Confidential Information" shall not include information or matter that the Company can demonstrate by reasonable and tangible evidence has become a part of the public knowledge, without a breach of Section 4 of this Agreement.</p>
"Consent"	Any consent, permit, approval, authorisation, filing or exemption, including without limitation, the approval of the Office of Chief Scientist and the Court or any other competent court of the State of Israel for the performance and delivery by the Company of the transactions contemplated hereunder.
"Court"	As defined in Section 5.1.

"Deed of Termination"	As defined in Section 8.4.
"Governmental Entity"	Any competent court, administrative agency or commission or other governmental authority or instrumentality.
"Office of the Chief Scientist"	The Office of the Chief Scientist of the Israeli Ministry of Industry, Trade & Labor.
"Purchase Price"	As defined in Section 3.1.
"Remaining Balance"	As defined in Section 3.1.
"Tax"	All Israeli taxes, duties, tariffs, registration fees, and other governmental charges including without limitation all income, VAT, franchise, property, social security, health tax, withholding, and other taxes, as well as any indexation, interest, additions or penalties relating thereto and any interest in respect of such additions or penalties.

- 1.2 Words and defined terms denoting the singular number include the plural and vice versa and the use of any gender shall be applicable to all genders.
- 1.3 The paragraph headings are for the sake of convenience only and shall not affect the interpretation of this Agreement.
- 1.4 The recitals, schedules and exhibits hereto form an integral part of this Agreement.
- 1.5 For purposes of this Agreement, the term "Knowledge" (including any derivation thereof such as "know" or "knowing" and regardless of whether such word starts with an initial capital) in reference to the Company shall mean that the Company has reviewed the specific representation and warranty and any related attached Schedule to which such knowledge statement is made, and, in so doing, the Company is not aware of any inaccuracies in such specific representation and warranty and related attached Schedule with respect to which such knowledge statement is made.

- 1.6 A reference made in this Agreement to Sections, Exhibits or Schedules, shall be a reference to a Section, Exhibit or Schedule to this Agreement unless otherwise indicated.

2. **ACQUISITION OF ASSETS**

- 2.1 Subject to the terms and conditions of this Agreement, at the Closing, the Company shall sell, convey, transfer, assign and deliver to ELA, and ELA shall purchase, acquire and accept from the Company, the Acquired Assets free and clear of all liens and encumbrances.

2.2

2.3

- 2.4 The sale, conveyance, transfer, assignment and delivery to ELA of the Acquired Assets, as herein provided, shall be effected by such bills of sale, endorsements, assignments and other instruments of transfer and conveyance as may be reasonably necessary to vest in ELA the respective rights, title and interests in and to the Acquired Assets, free and clear of all liens, claims, charges and encumbrances, except as otherwise provided in this Agreement. Such documents shall include, without limitation, an Assignment and Bill of Sale in the form attached hereto as Exhibit 2.4 in favour of ELA and Deeds of Assignment in form satisfactory to ELA to assign to ELA the Company's patents and applications therefor.

2.5

3. **PURCHASE PRICE AND PAYMENT**

3.1

Hapoalim at its branch No. 736, situated at 2, Pal-Yam Street, Account No. 329684, Account Name: Lior Mazor Adv, special manager of AI Medical Semiconductor Ltd.

3.2

3.3

3.4

4. **CONFIDENTIALITY**

The Company has Confidential Information relating to the Acquired Assets. The Company acknowledges that such Confidential Information is essential to achieving the value of the Acquired Assets, will continue to be so after the Closing, and that the unauthorised disclosure of such Confidential Information to others or the unauthorised use of such Confidential Information by others might cause substantial loss and harm to ELA. Therefore, the Company undertakes not to disclose any such Confidential Information other than as required by statute, regulation or order of any competent court.

5. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company hereby represents and warrants to ELA as follows:

5.1 **Organisation and Existence**

5.2 **Authority**

5.2.1

24081-704512/3

5.2.2

5.3 Compliance

5.4 Consents

5.5 Technology and Intellectual Property Rights

5.5.1 The intellectual property of the Company (the "Company Intellectual Property") consists of the following:

(a)

(b)

(c)

(d)

(e)

(f)

(g)

5.5.2

5.5.3

5.5.4 The Company has no patent applications pending other than those listed in Schedule 5.5.1(b) and has no granted or issued registered patents other than those listed in Schedule 5.5.1(b).

5.6 Title to Acquired Assets

At the Closing the Acquired Assets shall be transferred to ELA free and clear of all title defects, security interests, charges, pledges, options, claims, liens, encumbrances, and restrictions of any nature whatsoever (including, without limitation, leases, chattel mortgages, conditional sale contracts, purchase money security interests, collateral security arrangements, and other title or interest-retaining agreements).

Except as expressly stated in this Agreement, the Acquired Assets are provided "AS IS" and the Company makes no other warranties regarding the Acquired Assets.

6. REPRESENTATIONS AND WARRANTIES OF ELA

24861-784813-3

6.1 Organisation, Standing and Power

6.2 Authority

6.3 Compliance

7. COVENANTS OF THE COMPANY

7.1 Conduct of business

7.1.1

7.1.2

7.2 No Dispositions

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7.3 Conf

8.1 Additional Agreements

8.2 Expense

8.3 Public Announcements

8.4 Tr

8.5 Protection and Maintenance of Acquired Patents

9. CONDITIONS PRECEDENT

9.1 Conditions to Each Party's Obligation to Close the Transaction

The respective obligations of each party to close the transactions contemplated by this Agreement shall be subject to the satisfaction prior to the Closing Date of the following conditions:

9.1.1 No statute, rule, regulation, executive order, decree, award, decision, or injunction shall have been enacted, entered, promulgated or enforced by any Governmental Entity of competent jurisdiction which enjoins or prohibits the consummation of the transactions contemplated by this Agreement, or imposes any limitations on ELA's ownership or operation of all or any portion of the Acquired Assets, or compels ELA to dispose of or hold separate all or any portion of the Acquired Assets as a result of the transactions contemplated by the Agreement.

9.1.2

9.2 Conditions to Closing of ELA

The obligations of ELA to effect the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions:

9.2.1 The representations and warranties of the Company set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date.

9.2.2 The Company shall have performed in all material respects all acts, agreements and covenants required to be performed by it under this Agreement prior to the Closing Date.

24561 - 7043 (3/3)

9.2.3 All Consents legally required for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred, or been obtained.

9.2.4 There shall not have been any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the Company Intellectual Property where there are no undamaged duplicate copies of such other Company Intellectual Property in the possession of the Company.

9.2.5 The Company shall have signed the Deed of Termination.

9.3 Conditions of Obligation of the Company

The obligation of the Company to effect the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions unless waived by the Company:

9.3.1 The representations and warranties of ELA set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date.

9.3.2 ELA shall have performed in all material respects all agreements and covenants required to be performed under this Agreement prior to the Closing Date.

9.3.3 All Consents legally required for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred, or been obtained.

10. CLOSING

10.1

10.2

All transactions occurring at the Closing shall be deemed to take place simultaneously and no transaction shall be deemed to have been completed and no document or certificate shall be deemed to have been delivered until all transactions are completed and all documents delivered. Unless otherwise indicated, all documents and certificates shall be dated on or as of the Closing Date.

11. TERMINATION

12. MISCELLANEOUS

12.1 Liability

12.2 Time Limit

12.3 Entire Agreement

This Agreement, including the exhibits and schedules delivered pursuant to this Agreement, and any confidentiality agreement between the parties, contains all of the terms and conditions agreed upon by the parties relating to the subject matter of this Agreement and supersedes all prior agreements, negotiations, correspondence, undertakings, and communications of the parties, whether oral or written, respecting that subject matter.

12.4 Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Israel. Any disputes arising from this Agreement shall be exclusively settled by the competent courts of Tel Aviv – Jaffa or Haifa, and no other court shall have jurisdiction over such matters.

12.5 Notices

All notices, requests, demands or other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given: (i) on the date of delivery if personally delivered by hand, (ii) upon the seventh day after such notice is deposited in the mail, if mailed by registered or certified mail, postage prepaid, return receipt requested, or (iii) upon the third day after such notice is sent by an internationally recognised overnight express courier, or (iv) by facsimile upon automatic confirmation received from the sender's facsimile machine:

If to ELA:

24801-7048125

With a copy to:

If to the Company:

~~Attention: John M. [illegible]~~
~~Facsimile No. [illegible]~~

Such addresses may be changed, from time to time, by means of a notice given in the manner provided in this Section 12.5.

2.6 Severability

If any provision of this Agreement is held to be unenforceable for any reason, it shall be modified rather than voided, if possible, in order to achieve the intent of the parties to this Agreement to the extent possible. In any event, all other provisions of this Agreement shall be deemed valid and enforceable to the full extent.

2.7 Assignment

Except as expressly provided in this Agreement, no party to this Agreement may assign, by operation of law or otherwise, all or any portion of its rights, obligations, or liabilities under this Agreement without the prior written consent of the other party hereto, which consent may be withheld in the absolute discretion of the party asked to grant such consent, other than in the case of ELA, to an affiliate. Any attempted assignment in violation of this Section 12.7 shall be voidable and shall entitle the other party to this Agreement to terminate this Agreement at its option.

2.8 Counterparts

This Agreement may be executed in two or more partially or fully executed counterparts each of which shall be deemed an original and shall bind the signatory, but all of which together shall constitute but one and the same instrument. The execution and delivery of a signature page of this Agreement, including a facsimile copy of the actual signature, by either party hereto who

shall have been furnished the final form of this Agreement shall constitute the execution and delivery of this Agreement by such party.

12.9 Amendment

This Agreement may not be amended except by an instrument in writing by both parties.

12.10 Extension, Waiver

At any time prior to the Closing, any party hereto may, to the extent legally allowed: (i) extend the time for the performance of any of the obligations or other acts of the other party hereto, (ii) waive any inaccuracies in the representations and warranties made to such party contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements, covenants or conditions for the benefit of such party contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party and shall not constitute an extension or waiver to any other matter or with respect to the same matter on another occasion.

No delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default under this Agreement shall be deemed a waiver of any other breach or default thereafter or thereafter occurring.

12.11 Confidentiality

The Company agrees to keep confidential and not to disclose the terms and conditions of this Agreement specifically, including without limitation the Purchase Price, other than any disclosure required by the Court (it being understood that a copy of this Agreement shall be attached to the petition seeking the approval of the transactions contemplated under this Agreement of the Court), and to advise all Company officers, directors, Employees, counsel, and other representatives of this obligation.

IN WITNESS WHEREOF, ELA and the Company have executed this Agreement as of the date first written above.

ELA MEDICAL, INC.

By: 

Name:
Title:

Dr. Lullo

AT MEDICAL SEMICONDUCTORS LTD.

By: 

Name: Lior Mazor
Title: Special Advisor

of A.I. Medical Semiconductors, Ltd.

SCHEDULE 5.4

REQUIRED CONSENTS: GOVERNMENT ENTITIES

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SCHEDULE 5.5.1(b)
ACQUIRED PATENTS

1. All rights stemming from PCT/IL2004/000659, entitled "ADAPTIVE CARDIAC RESYNCHRONIZATION THERAPY SYSTEM, and any national/regional phase applications that may be filed based on international application PCT/IL2004/000659, including without limitation US national phase application 10565279 and European regional phase application 04744999.6.
2. All rights stemming from Israeli patent application No. 165729, all rights stemming from PCT/IL2005/001288 entitled "OPTIMIZING AND MONITORING CARDIAC RESYNCHRONIZATION THERAPY DEVICES", and any national/regional phase applications that may be filed based on international application PCT/IL2005/001288, including without limitation US national phase application 11721449 and European regional phase application 05813310.9.
3. All rights stemming from PCT/IL2006/00265 entitled "ADAPTIVE RESYNCHRONIZATION THERAPY DEVICE AND VAGAL STIMULATION SYSTEM", and any national/regional phase applications that may be filed based on international application PCT/IL2006/00265, including without limitation US national phase application 11817228 and European regional phase application 06711247.4.
4. All rights stemming from PCT/IL2006/000571 entitled "VENTRICLE PACING DURING ATRIAL FIBRILLATION EPISODES"; and any national/regional phase applications that may be filed based on international application PCT/IL2006/000571.
5. All rights stemming from PCT/IL2006/000906 entitled "CARDIAC STIMULATION WITH HEMODYNAMIC SENSOR GUARD"; and any national/regional phase applications that may be filed based on international application PCT/IL2006/000906, including without limitation US national phase application 12063245.
6. All rights stemming from PCT/IL2007/000900 entitled "INTELLIGENT CONTROL SYSTEM FOR ADAPATIVE CARDIAC RESYNCHRONIZATION THERAPY DEVICES"; and any national/regional phase applications that may be filed based on international application PCT/IL2007/000900, including without limitation European regional phase application 07789955.7.
7. All rights stemming from U.S. Patent Application S/N 11/552,583 entitled "Heart Simulator" published as US2008/0103744.
8. All rights stemming from US Provisional Patent Application, 61/162,303 entitled "Optimal Deep Brain Stimulation Therapy with Q Learning". Filed March 2009.

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9. All rights stemming from US Provisional Patent Application. 61/109,194 entitled "Optimal Cardiac Pacing with Q Learning". Filed October 2008.

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SCHEDULE 8.5.1(g)

LICENSES AND OTHER RIGHTS IN THIRD PARTY PRODUCTS

None

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