

March 21, 2001

267 BOSTON ROAD  
N. BILLERICA  
MA 01862-2310, USA

TEL 800-550-8930  
FAX 978-670-1114

web site: [www.iti-qualitek.com](http://www.iti-qualitek.com)  
Email: [iti\\_qualitek@compuserve.com](mailto:iti_qualitek@compuserve.com)

Mr. Anthony S. Kirkwood, MSIB-A  
Materials Safety and Inspection Branch  
Division of Industrial and Medical Nuclear Safety  
Office of Nuclear Material Safety and Safeguards  
United States Regulatory Commission  
Washington, DC 20555-0001

Dear Mr. Kirkwood:

I thank you for your letter dated March 21<sup>st</sup> concerning the request for additional information.

1. To confirm we will only be distributing the Model Q200 Leakmeter.
2. The Model 120 Leakmeter has been obsolete for a number of years; however, we will continue to service, repair and calibrate the unit for at least another three years.
3. I have enclosed a copy of the asset and purchase agreement, between Ion Track Instruments and ITI Qualitek, which lists USNRC Material License No 20-15525-02E, as part of the sale on which included the Q200. The asset and purchase agreement transferred all leak detection products from Ion Track Instruments to ITI Qualitek.
4. Documents containing a proprietary notice restricting copying or loaning.

The proprietary notice can be ignored providing the documents are not distributed outside of the NRC or another government body. If any documents need to be passed outside of the NRC please request a separate waiver.

5. Distribution Report

I have contacted Ion Track Instruments with the purpose of obtaining the distribution records for the 120 Leakmeter (previously distributed product). I am informed by Ion Track Instruments that these records have either been lost, destroyed or misfiled and cannot be located. Please let me know how you wish ITI Qualitek to proceed with this issue.



Mr. Anthony Kirkwood  
Page 2 of 2  
March 28, 2001

I look forward to hearing from you, please do not hesitate to contact me at 1-800-550-8930 X17 if I can be of any assistance.

Sincerely yours,

David Morris  
President

DM/lam

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated as of January \_\_, 2000, by and between iTi QUALITEK, INC., a Delaware corporation (the "Buyer"), and ION TRACK INSTRUMENTS INCORPORATED, a Delaware corporation (the "Seller").

WHEREAS, the Seller desires to sell and the Buyer desires to purchase certain assets currently owned by the Seller comprising its "Qualitek division" located in North Billerica, Massachusetts (the "Division");

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the Buyer and the Seller, intending to be legally bound, agree as follows:

### 1. Purchase and Sale.

1.1. Acquired Assets. Subject to the terms and conditions set forth in this Agreement, at the Closing referred to in §4 hereof, the Seller shall sell, assign, transfer and deliver to the Buyer, and the Buyer shall purchase, acquire and take assignment and delivery of, all of the following assets related to the operation by Seller of the Division (all of which assets are hereinafter referred to collectively as the "Acquired Assets"):

(a) All of the Seller's title to, interest in and rights under the real estate lease (the "Real Estate Lease") described on Schedule 1(a), relating to the properties therein described and the buildings, plants and other structures or improvements therein described and, to the extent subject to the Real Estate Lease, any and all fixtures, machinery, installations, equipment and other property attached thereto or located thereon (the "Leased Real Property");

(b) To the extent not included in the Acquired Assets pursuant to the foregoing paragraph, the plants, fixtures, machinery, installations, equipment, furniture, tools, spare parts, supplies, materials and other personal property described on Schedule 1(b);

(c) The Seller's inventories, including raw materials, work in process and finished goods, as described on Schedule 1(c) hereto (the "Inventories");

(d) Seller's rights under the purchase orders, contracts and agreements described on Schedule 1(d) hereto (the purchase orders, contracts and agreements referred to in this paragraph (d) being referred to collectively as the "Other Contracts");

(e) All of the Seller's transferable rights under the licenses and permits described on Schedule 1(e) hereto;

(f) The Seller's trademarks, trade names, corporate names, domain names, all the goodwill with respect to the foregoing, copyrights, designs, patents, licenses and applications with respect to the foregoing, production records, technical information, manufacturing know-how, processes, trade secrets, computer software, customer lists and other intangible assets described on Schedule 1(f) hereto, to the extent they pertain to the Division; and

(g) All of the cash relating to the Division held with BankBoston, N.A. in checking account ~~41776234~~, which is equal to approximately \$[350,000].  
273 25537

2. **Purchase Price.** At the Closing, the Buyer shall pay to the Seller, as the aggregate purchase price for the Acquired Assets, the amount of \$650,000 (the "Purchase Price").

3. **Assumption of Certain Obligations.** At the Closing, the Buyer shall assume, and agree to pay, perform, fulfill and discharge, any and all liabilities and obligations of the Seller that relate to the Acquired Assets (the "Assumed Obligations"). Anything in this Agreement to the contrary notwithstanding, the Buyer shall not assume, and shall not be deemed to have assumed, any liability or obligation of the Seller whatsoever other than as specifically set forth in this §3.

4. **Closing.**

4.1. **Time and Place.** The closing of the transfer and delivery of all documents and instruments necessary to consummate the transactions contemplated by this Agreement (the "Closing") shall be held at the offices of Skadden, Arps, Slate, Meagher & Flom LLP in New York, New York on the date and at the time of signing of this Agreement, or at such other place and time as the Buyer and the Seller may agree in writing. The date on which the Closing is actually held hereunder is sometimes referred to herein as the "Closing Date."

4.2. **Transactions at Closing.** At the Closing:

(a) The Seller shall duly execute and deliver to the Buyer or its nominee or nominees such deeds, bills of sale, certificates of title and other instruments of assignment or transfer with respect to the Acquired Assets as the Buyer may reasonably request and as may be necessary to vest in the Buyer legal title to all of the Acquired Assets, in each case subject to no security interests, liens, claims, charges, options, mortgages, debts, leases (or subleases), conditional sales agreements, title retention agreements, encumbrances of any kind, material defects as to title or restrictions against the transfer or assignment thereof (collectively, "Encumbrances"), except for Encumbrances under the Real Estate Lease and the Other Contracts

and except for the Encumbrances specified in Schedule 4.2(a) hereto (the "Permitted Encumbrances").

(b) The Buyer shall duly execute and deliver to the Seller such instruments of assumption with respect to the Assumed Obligations as the Seller may reasonably request.

**5. Confidentiality and Noncompetition Agreement of Seller.** In consideration of the payment of the Purchase Price and for other good valuable consideration, the Seller has entered into a Confidentiality and Noncompetition Agreement with respect to the business of the Buyer, in a form similar to Exhibit E of the Recapitalization Agreement (as defined below).

**6. Confidentiality and Noncompetition Agreement of Buyer.** In consideration of the sale of the Acquired Assets to the Buyer and for other good valuable consideration, each of the Buyer and Ai Qualitek Ltd., a company registered in England and the owner of all of the capital stock of the Buyer, has entered into a Confidentiality and Noncompetition Agreement with respect to the business of the Seller, in a form similar to Exhibit E of the Recapitalization Agreement (as defined below).

**7. General.**

**7.1 Expenses.** Except as otherwise set forth herein or in the Recapitalization Agreement (as defined below), all expenses of the preparation, execution and consummation of this Agreement and of the transactions contemplated hereby, including, without limitation, attorneys', accountants' and outside advisers' fees and disbursements, shall be borne by the party incurring such expenses.

**7.2 Notices.** All notices, demands and other communications hereunder shall be in writing or by written telecommunication, and shall be deemed to have been duly given if delivered personally or if mailed by certified mail, return receipt requested, postage prepaid, or sent by written telecommunication, as follows:

If to the Seller, to:

Ion Track Instruments Incorporated  
205 Lowell Street  
Wilmington, MA 01887  
Facsimile: (978) 657-5954

Attention: Anthony Jenkins, President

If to the Buyer, to:

iTi Qualitek, Inc.  
267 Boston Road  
North Billerica, MA 01862  
Facsimile: (978) 670-1114

Attention: Dave Morris, President

**7.3 Entire Agreement.** This Agreement, together with the Recapitalization Agreement, contains the entire understanding of the parties, supersedes all prior agreements and understandings relating to the subject matter hereof and shall not be amended except by a written instrument hereafter signed by all of the parties hereto. "Recapitalization Agreement" shall refer to that certain Recapitalization and Stock Purchase Agreement, dated as of December 23, 1999, by and among Castle Harlan Partners III, L.P., Anthony Jenkins, Andrew Hawes, William McGann, Paul Eisenbraun, TGE Group Limited and TG Group Inc.

**7.4 Governing Law.** The validity and construction of this Agreement shall be governed by the internal laws (and not the choice-of-law rules) of the Commonwealth of Massachusetts.

**7.5 Sections and Section Headings.** All enumerated subdivisions of this Agreement are herein referred to as "§" or "subsection." The headings of sections and subsections are for reference only and shall not limit or control the meaning thereof.

**7.6 Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and its respective heirs, successors and assigns.

**7.7 Further Assurances.** From time to time, notwithstanding anything to the contrary set forth in this Agreement, (i) at the request of the Buyer and without further consideration, the Seller shall execute and deliver such further instruments of conveyance and transfer and take such other actions as the Buyer may reasonably require more effectively to convey and transfer any of the Acquired Assets to the Buyer, and (ii) at the request of the Seller and without further consideration, the Buyer shall execute and deliver such further instruments of assumption and take such other actions as the Seller may reasonably require for the Buyer to more effectively assume the Assumed Obligations. The Seller and the Buyer shall also execute and deliver to the appropriate other party such other instruments as may be reasonably required in connection with the performance this Agreement and each shall take all such further actions as may be reasonably required to carry out the transactions contemplated by this Agreement.

**7.8 Tax Treatment.** The Buyer and the Seller shall treat and report the transactions contemplated by this Agreement as a purchase and sale for

all tax purposes. The Buyer and the Seller shall provide each other with such assistance as reasonably may be requested by either of them in connection with (i) the preparation of any tax return, (ii) any audit or other examination by any taxing authority, or (iii) any other tax matter related to this Agreement.

**7.9 No Implied Rights or Remedies.** Except as otherwise expressly provided herein, nothing herein expressed or implied is intended or shall be construed to confer upon or to give any person, firm or corporation, other than the Seller and the Buyer and its respective shareholders, any rights or remedies under or by reason of this Agreement.

**7.10 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**7.11 Investigation.** The Buyer acknowledges and agrees that it is purchasing the Acquired Assets on an "as is, where is" basis. The Buyer has conducted its own independent review and analysis of the Acquired Assets and Assumed Obligations and acknowledges that the Seller has provided the Buyer with access to the personnel, properties, premises and books and records of the Seller for this purpose. In entering into this Agreement, the Buyer has relied solely upon its own investigation and analysis, and the Buyer (i) acknowledges that neither the Seller nor its subsidiaries or past, current or future affiliates, nor any of their respective directors, officers, employees, agents or representatives (collectively, "Representatives"), makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information provided or otherwise made available to the Buyer or its subsidiaries or affiliates or any of their respective Representatives and (ii) agrees, to the fullest extent permitted by law, that the Seller and its subsidiaries and its past, current and future affiliates and their respective Representatives shall not have any liability or responsibility whatsoever to the Buyer or its subsidiaries or affiliates or any of their respective Representatives on any basis (including in contract or tort or otherwise) based upon any information provided or made available, or statements made (or any omissions therefrom), to the Buyer or its subsidiaries or affiliates or any of their respective Representatives, or otherwise relating to this Agreement or the transactions contemplated hereby. For purposes of this Agreement, Castle Harlan, Inc. and Castle Harlan Partners III L.P. and each of their affiliates and each such foregoing person's Representatives shall be deemed to be an "affiliate" of the Seller.

**7.12 Mistake of Fact.** In entering into this Agreement, the Buyer assumes the risk of any misrepresentation, concealment or mistake. If the Buyer should subsequently discover that any fact relied upon by it in entering into this Agreement was untrue, or that any fact was concealed from it, or that its understanding of the facts or of the law was incorrect, the Buyer shall not be entitled to any relief in connection therewith including, without

limiting the generality of the foregoing, any alleged right or claim to set aside or rescind this Agreement.

**7.13 Release.** In consideration of the sale of the Acquired Assets to the Buyer, except with respect to the performance of covenants that expressly contemplate performance following the Closing, the Buyer, for itself, its affiliates and each of their respective Representatives, hereby releases waives and discharges the Seller and its subsidiaries and its past, current and future affiliates and their respective Representatives from any and all manner of actions, causes of action, suits, claims, counts, liens, obligations, liabilities, damages, losses, fees, costs, expenses, demands and any other forms of liability whatsoever in law or in equity whether brought individually, on behalf of a class, or derivatively, that any of the Buyer, its affiliates and each of their respective Representatives ever had, now have or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever arising out of or by reason of (i) the Acquired Assets, (ii) the Assumed Obligations or (iii) any information provided or made available, or statements made (or any omissions therefrom) by the Seller or its subsidiaries or affiliates, or any of their respective Representatives or any other person or entity to the Buyer or its subsidiaries or any of their respective Representatives.

**7.14 Assignment.** The agreements contained in §§ 7.11, 7.12 and 7.13 hereof are intended to confer rights and remedies upon the Seller and its subsidiaries and affiliates, and their respective directors, officers, employees, agents and Representatives. Neither this Agreement, nor any rights, interests or obligations hereunder, may be directly or indirectly assigned, delegated, sublicensed or transferred by any party to this Agreement, in whole or in part, to any other person or entity (including, without limitation, any bankruptcy trustee, any creditor of any party hereto, or any person or entity who directly or indirectly holds any equity or debt interests of any party hereto) by operation of law or otherwise, whether voluntarily or involuntarily, without the prior written consent of the other parties hereto; provided, however, that (i) the agreements set forth in §§ 7.11, 7.12 and 7.13 hereof shall bind and inure to the benefit of the successors and assigns of the parties hereto and to the benefit of the other intended beneficiaries thereof and (ii) the rights under §§ 7.11, 7.12 and 7.13 hereof may be freely assigned by the Seller and the other intended beneficiaries thereof to any person or entity.

**7.15 Interpretation.** The parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound hereby,  
the parties hereto have caused this Agreement to be duly executed and  
delivered as an instrument under seal by their respective duly authorized  
officers as of the date and year first above written.

ION TRACK INSTRUMENTS INCORPORATED

\_\_\_\_\_  
Name:

Title:

iTi QUALITEK, INC.



\_\_\_\_\_  
Name: DAVID MORRIS

Title: PRESIDENT

Schedule 1(a)

Real Estate Lease

Lease, dated October 23, 1996, by and between Ion Track Instruments Incorporated d/b/a ITI Qualitek and Teachers Insurance and Annuity Association of America for premises at 267 Boston Road, Billerica, Massachusetts.

Schedule 1(d)

Purchase Orders

- All purchase orders and similar contracts relating to the Division
- All accounts receivable relating to the Division

Schedule 1(e)

Licenses and Permits

- United States Nuclear Regulatory Commission Material License No. 20-15525-02E (distribution)

Schedule 1(f)

Intellectual Property

- United States Patent and Trademark Office patent issued to Ion Track Instruments Incorporated for air pressure decay temperature compensation. Patent registration number 4,947,352 issued on August 7, 1990.

Schedule 4.2(a)

Permitted Encumbrances

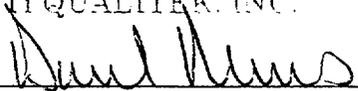
- All liens and all other security interests in favor of National Westminster Bank Plc

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have caused this Agreement to be duly executed and delivered as an instrument under seal by their respective duly authorized officers as of the date and year first above written.

ION TRACK INSTRUMENTS INCORPORATED

  
\_\_\_\_\_  
Name: A JENKINS  
Title: PRESIDENT

ITI QUALITEK, INC.

  
\_\_\_\_\_  
Name: DAVID MORRIS  
Title: PRESIDENT