

MINUTES OF SPECIAL MEETING OF
BOARD OF DIRECTORS OF
STATITROL CORPORATION
March 14, 1968

A special meeting of the Board of Directors of Statitrol Corporation was held on Thursday, March 14, 1968, at 3:00 P.M. at the offices of the Corporation, 1030 West Ellsworth Avenue, Denver, Colorado.

Present were:

Duane D. Pearsall
Paul F. Schmidt
Blaine E. D'Arcey
James B. Osbourn

Mr. Pearsall presented the Annual Report to the Stockholders. Mr. Schmidt moved, with a second by Mr. D'Arcey, that the report be accepted as submitted. Motion carried.

As a matter of old business, Mr. Pearsall presented a review of the Honeywell Agreement, the agreement with Central Investment Corporation and the Stock Purchase Agreement with The Powers Regulator Company. Mr. Pearsall reported that information had been received that Honeywell has a new detector under development with a time schedule such that it should be available for marketing by their company before the expiration of the Honeywell contract with Statitrol.

In the review in the area of patents, Mr. Pearsall reported on the potential interference from a patent which was issued after the Blackwell application had been filed. Our patent attorney, Mr. Wymore, has advised that the patent, after careful review, should not present a potential infringement.

As a result of developments in the Blackwell detector subsequent to its original patent application, three areas of patent protection have now been applied for in addition to the original application. It is intended that foreign applications will be filed as soon after the minimum waiting period required by the patent office has expired. To date, no foreign applications have been filed on the Blackwell patent.

The patent application for the "Step-Down Amplifier" (Series 400 equipment) is in final stage prior to issuance. The company has received a trademark for the word Statitrol on both ionization and fire detection equipment. The ionizer patent has been denied and arguments are being presented to salvage part of the claims.

Under the order of new business, a forecast of budgets was reviewed.

Research and development was reported as progressing in several areas as well as in the development of a simplified new version of the 1503 detector.

The contract with Mr. Blackwell was reviewed. The President was instructed to seek a legal opinion on the limits of liabilities under this contract.

The following officers were elected for the coming year following nominations:

President - Duane D. Pearsall
Vice-President, Research & Development -
Lyman L. Blackwell
Secretary-Treasurer - Margie M. Frisbee

Motion was made by Mr. Osbourn that a unanimous ballot be cast, seconded by Mr. Schmidt. Motion carried.

Mr. Schmidt opened the discussion on setting officers' salaries for the coming year. It was moved and seconded that the office of Secretary-Treasurer be set at \$6,000 per annum. Motion carried. It was moved and seconded that the office of President be set at annual salary of \$20,400. Motion carried. Mr. Blackwell has agreed to serve at no pay.

Mr. Pearsall discussed the future possible appointment of Mr. Al Mayer as Vice-President, Plant Manager, and Mr. Al Munk as Treasurer. The matter was deferred for consideration at the next board meeting.

Mr. Schmidt moved that the by-laws be changed to set the annual meeting date approximately 60 days following the end of the fiscal year, or the second Tuesday of June. Motion seconded and carried.

A discussion of the Directors' meetings indicated a desire to hold such a meeting every six months and the exact date of the meeting to be tabled for discussion at the next special directors' meeting to be held following August 1968.

Discussion was held on the topic of employee benefits relative to group insurance plans, stock options and profit-sharing plans. The Board was generally favorable to establishing a group insurance plan with some company participation with