

AGREEMENTLyman L. Blackwell  
L. BlackwellAgreement made ~~February~~ <sup>APRIL 3, 1970</sup>, 1969, between Lyman L.

Blackwell, hereinafter called "Blackwell," and Statitrol Corporation, a Colorado corporation, hereinafter called "Statitrol."

The parties agree as follows:

1. As used in this Agreement, the term "invention" includes all matters set forth in the attached "Revised Disclosure" relating to certain improvements to the self-switching ionization-type detector of products of combustion, as described in the agreement between the parties dated March 23, 1966, for use in Statitrol's Model 1700 Series. Any device incorporating the invention is hereafter referred to as a "Detector." It is understood that the scope of this agreement includes Detectors only and excludes all power supply and related accessories.

2. Blackwell hereby assigns to Statitrol his entire right, title and interest in and to the invention, including any and all United States letters patent, whether applied for, pending or issued, and all foreign letters patent that may be issued, protected or granted pursuant to filings made on the invention by Blackwell or Statitrol. Blackwell further agrees that upon filing of any application for a patent in which said invention is disclosed and claimed, he will execute an assignment to Statitrol of said application and any patents issuing pursuant thereto.

3. Blackwell agrees to file such applications covering the invention with the United States Patent Office and with any foreign agency as may be requested in writing by Statitrol. Statitrol agrees to reimburse Blackwell for all expenses borne by Blackwell as a result of all such domestic and foreign patent applications for the invention, including all legal fees, patent fees, and all maintenance fees for maintaining foreign and domestic patent filings.

4. If United States letters patent on the invention, or any subsequent application thereof, do not issue with a period of seven years from the date of listing of the invention by the Underwriters Laboratories, Statitrol shall reassign the invention to Blackwell, at which time Statitrol will no longer be required to pay royalties to Blackwell for making, using or selling any product based upon that particular patent.

5. Statitrol agrees to pay Blackwell (a) a royalty of three per cent of the manufacturer's selling price for each Detector sold except for those Detectors covered by subparagraph 5(b), and (b) a royalty of one per cent of the manufacturer's selling price on each Detector designed and sold for application to residences. Subject to the terms of paragraph 4, the royalty specified herein shall be payable whether or not a United States patent is issued on the invention. Statitrol shall use its best efforts to market the invention.

6. Royalties shall be payable quarterly on the thirtieth day of April, July, October and January in each year. Statitrol guarantees to pay to Blackwell, on or before a date twelve months after the date of listing by the Underwriters Laboratories, a minimum royalty payment of \$900; and for the second twelve-month period thereafter Statitrol guarantees to pay to Blackwell before the expiration of that period a minimum royalty payment of \$2,250; and for each twelve-month period thereafter, Statitrol guarantees to pay to Blackwell before the expiration of each subsequent twelve-month period a minimum royalty payment of \$4,500. The minimum royalties mentioned above shall be credited as advanced royalties against any royalties accruing under paragraph 5 hereof. Any sum paid to Blackwell under the agreement of March 23, 1966 will apply toward sums payable hereunder.

7. Upon failure of Statitrol to pay the royalties as set forth in paragraphs 5 and 6 after thirty days' notice

in writing by Blackwell to Statitrol of such failure to pay, and without waiving any right to collect amounts owing from Statitrol, all right, title and interest in and to the invention and any patents relating thereto will automatically be forfeited and reassigned to Blackwell, and Statitrol shall have no further right to manufacture, use or sell the invention. However, Statitrol shall have the right to pay or to tender any such royalties due within thirty days after such notice, and in the event of such payment and tender, this assignment of royalties shall remain in full force and effect. Each royalty payment shall be accompanied by a statement of sales certified as being true and correct by the treasurer of Statitrol. Statitrol shall keep accurate records showing the quantity and sales price of all Detectors sold, which records shall be open to inspection by Blackwell or his representatives at all reasonable times.

8. Unless sooner terminated as herein provided, this agreement shall continue for the life of any United States letters patent which may issue on the invention.

9. Blackwell agrees to keep Statitrol fully informed as to the perfection of all patent applications on said invention.

10. Blackwell agrees to hold and keep confidential for the benefit of Statitrol any and all information which he now has or which he may obtain during the course of this agreement relating to any matters pertaining to the invention.

11. In the event third parties shall, without authorization, make, use or sell said invention, Statitrol shall have the right, but not the obligation to bring suit to enjoin such infringement or unauthorized use. The cost, including legal fees, of such suit shall be borne by Statitrol.

12. In the event any letters patent obtained by Blackwell on the invention shall be held invalid by a court of competent jurisdiction from which no appeal was taken, there will be a forfeiture of this assignment and Statitrol shall

no longer be required to pay royalties for making, using or selling such invention. Blackwell, however, may retain all payment theretofore made.

13. Blackwell warrants that he has the right to make all assignments contemplated hereby; and that the invention is free from infringement on any patent or patents owned by third parties. In the event an action is brought and successfully maintained against Statitrol by any third party for infringement arising out of Statitrol's making, using or selling the invention, Blackwell's assignment of said invention may be forfeited at the option of Statitrol; in such event Statitrol's obligation to pay royalties on the invention shall cease. Blackwell may, however, retain all payments theretofore made.

14. Upon any forfeiture hereunder, Statitrol agrees to reassign all right, title and interest in the invention and patents thereon to Blackwell. In the event of forfeiture under paragraphs 4, 12, or 13, such reassignment shall not obligate Statitrol to pay further royalties <sup>NOR MINIMUM ROYALTIES</sup> for the making, using or <sup>for</sup> selling of the invention. *Blackwell*

15. Blackwell agrees immediately to inform Statitrol in writing of any rights exercised or granted under the terms of paragraph 14 above.

16. Blackwell agrees to give Statitrol first right to negotiate for a license or assignment on any products related to the fire detection industry, alarm industry or to the industry related to internal pollution caused by products of combustion (involving either the detection or control thereof) which Blackwell may subsequently invent.

17. This agreement shall be binding on the parties, their heirs, assigns, beneficiaries and successors. Statitrol may not, however, sell, assign, license or transfer its rights to the invention without the prior written consent of Blackwell.

18. This Agreement is to be governed by the laws of  
the State of Colorado.

IN WITNESS WHEREOF the parties have executed this  
Agreement.

Lyman L. Blackwell  
Lyman L. Blackwell

STATITROL CORPORATION

By Donald W. Russell  
President

ATTEST:

Margie M. Thibee  
Secretary

SEAL