

**PATENT ASSIGNMENT**

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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
Stephen V. Kilgore	03/31/2004
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	J&A Industries, Inc.
<b>Street Address:</b>	14 S. Ewing Street
<b>City:</b>	Kansas City
<b>State/Country:</b>	KANSAS
<b>Postal Code:</b>	66118
<b>PROPERTY NUMBERS Total: 2</b>	
<b>Property Type</b>	<b>Number</b>
Application Number:	10887293
Application Number:	11840975
<b>CORRESPONDENCE DATA</b>	
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<b>ATTORNEY DOCKET NUMBER:</b>	137.001
<b>NAME OF SUBMITTER:</b>	Kent R. Erickson

OP \$80.00 10887293

Total Attachments: 4  
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## ASSIGNMENT

This Agreement ("Agreement") is made and entered into this 31st day of March, 2004, (the "Effective Date") by and between J&A Industries, Inc. ("J&A") having a principal place of business at 14 S. Ewing St, Kansas City, KS 66118, Stephen V. Kilgore ("Kilgore") a resident of Lenexa, Kansas and Kilgore Industries, Inc. ("Kilgore Industries"), a Kansas Corporation having a principal place of business at 2930 Terrace, Kansas City, MO 64108.

NOW THEREFORE, the parties agree as follows:

1. Definitions.

As used herein:

- a) the term "INVENTION" means a vital proximity detection system as generally described in the attached Design Review, and any modifications, enhancements and improvements thereto, regardless of the application, conceived or reduced to practice by J&A, Kilgore, Kilgore Industries or their employees, during the term of this Agreement;
2. Warranty of Kilgore and Kilgore Industries as to Rights in Invention: Kilgore and Kilgore Industries represent and warrant that they have not granted and are under no obligation to grant any other party any right, title, interest or license to the INVENTION.
3. Assignment of Rights: Kilgore and Kilgore Industries do hereby assign to J&A all right title and interest in the INVENTION including U.S. and foreign patent rights and any copyrights in the INVENTION including the copyrights in any computer programs or software associated with the Invention including the right to prepare derivative works thereof. Kilgore and Kilgore Industries agree to cooperate with the reasonable requests of J&A in providing information and documentation deemed necessary by counsel for J&A to prepare, file and prosecute patent applications on the INVENTION, register claims of copyright in the INVENTION and in executing any documents deemed necessary by counsel for J&A to perfect its claim of patent rights and copyrights in the INVENTION.
4. Patent Prosecution and Maintenance: At its discretion, J&A agrees to pay the cost to obtain and maintain U.S. and foreign patent(s) on the INVENTION.
5. Exclusive Manufacturing Rights: During the first five years after the Effective Date of this agreement, J & A shall purchase its requirements for the INVENTION from Kilgore Industries at a price of \$550 per unit. J & A may place and Kilgore Industries will accept blanket orders for the INVENTION with units to be provided to J & A in minimum quantities of 20 and the entire order must be accepted within one year of placement. The per unit price of the INVENTION per order (including blanket orders) shall be reduced to \$475 per every unit over 99 ordered. The per unit price does not include an RF remote

handheld reader which comprises a part of the INVENTION but which will be sold separately at \$100 per unit.

Beginning five years after the Effective Date of this agreement, J & A shall provide Kilgore Industries with a right of first refusal to supply J & A with its requirements of the INVENTION at a price equal to or better than J & A can obtain from another source.

At any time beginning five years after the Effective Date of this Agreement, J & A may terminate its obligations to provide Kilgore Industries with a right of first refusal under this agreement, by paying Kilgore Industries \$15,000 (hereinafter the "Release Payment").

If at any time during the term of this agreement, Kilgore Industries cannot supply J & A's requirements for the INVENTION, J & A may purchase that portion of its requirements that Kilgore Industries cannot supply from another source.

If at anytime after five years from the Effective Date, all patent applications on the INVENTION having at least one pending claim which covers the version of the INVENTION manufactured, offered for sale or sold by J&A are abandoned without the issuance of a patent thereon, or if all patents issuing thereon are allowed to expire or are declared invalid or unenforceable J & A's obligation to purchase its requirements of the INVENTION from Kilgore Industries shall terminate.

6. Product Warranty: Kilgore Industries warrants that the units of the INVENTION supplied by it to J & A will be free from any defects in material or workmanship, and agrees to replace any defective units at its cost for a period of one year from the date of sale of the unit to J & A.
7. Improvements to the INVENTION: Kilgore, Kilgore Industries and J&A agree to cooperate in efforts to improve the INVENTION. Kilgore and Kilgore Industries agree to assign to J&A all right, title and interest in and to the patent rights in any improvements or modifications in the INVENTION during the term of this agreement. Sales of product incorporating any such improvements or modifications will be subject to the provisions of this agreement.
8. Design Documentation and Storage: Within 90 days after execution of this agreement, Kilgore Industries shall supply to J&A current information and documentation (the "Design Information") concerning the design of the hardware and software associated with the INVENTION sufficient to permit J&A or its designee to manufacture units of the INVENTION in accordance with the specifications established by Kilgore Industries. Such Design Information shall include but is not limited to source code, detailed product and parts drawings and a bill of materials. Kilgore Industries will supply J&A with updated Design Information within 30 days of any material modification, upgrade or new release of units of the INVENTION, but no less than once a year, during the month of January. Kilgore Industries will preferably supply the Design Information to J&A under seal. J&A shall deposit the Design Information in a safety deposit box, or similar secure

storage container, that it maintains. J&A shall not access, review or use the Design Information except for the following reasons:

- a. to support, upgrade or repair units of the INVENTION or correct any identified design defect in the INVENTION if Kilgore Industries fails to do so within a reasonable period after request by J&A, wherein in no case shall a reasonable period be deemed to exceed thirty days. Pursuant to this provision, J&A may disclose the Design Information to any party it deems reasonably necessary to assist it in supporting, upgrading or repairing units of the INVENTION or correct any identified design defect in the Invention;
  - b. to assist in manufacturing sufficient units of the INVENTION to meet J&A's requirements if Kilgore Industries is unable to supply J&A with its requirements or if Kilgore Industries refuses to supply J&A with its requirements at the agreed upon price. Pursuant to this provision, J&A may disclose the Design Information to any party it deems reasonably necessary to assist it supplying its requirements of units of the INVENTION;
  - c. for any purpose if Kilgore Industries declares bankruptcy, is declared insolvent or otherwise ceases doing business, in which case J&A may disclose the Design Information to any other party; and
  - d. for any purpose upon payment of the Release Payment (of \$15,000 as set forth previously) at anytime beginning five years after the Effective Date of this Agreement or at any time if Kilgore cannot supply J & A its requirements for the INVENTION, in which case J&A may disclose the Design Information to any other party.
9. Trademark Rights: The parties agree that J&A shall own and retain all right title and interest in the trademarks it uses on or in association with the INVENTION as long as it does not abandon use of such trademarks.
10. Binding Effect and Transfer of Rights: This Agreement shall be binding upon and inure to the benefit of the successors, representatives, heirs and assigns of the parties.
11. Entire Agreement: This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral. No modification or claimed waiver of any of the provisions hereof shall be valid unless in writing and signed by the duly authorized representative of the party against whom such modification or waiver is sought to be enforce.

