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AGREEMENT

THIS AGREEMENT made this 31st day of October, 1962 by and between J.F.D. ELECTRONICS CORPORATION, a New York corporation, of 6101 - 16th Avenue, Brooklyn 4, New York, hereafter referred to as "Company", and PAUL E. MAYES, of 1902 Broadmoor Drive, Champaign, Illinois, hereafter referred to as "Mayes."

WITNESSETH:

WHEREAS, Mayes is presently employed as an Associate Professor by the University of Illinois (hereafter referred to as "University") under an agreement which he represents permits him to accept other employment not in conflict with his duties as an employee of the University; and

WHEREAS, Company desires to avail itself of the services of Mayes as technical consultant to its subsidiary: J.F.D. RESEARCH AND DEVELOPMENT LABORATORIES, INC., of Champaign, Illinois, and Mayes desires to accept such position;

NOW, THEREFORE, it is mutually agreed as follows:

1. Employment and Duties.

Company hereby appoints Mayes to serve as Technical Consultant to its subsidiary: J.F.D. RESEARCH AND DEVELOPMENT LABORATORIES, INC., of Champaign, Illinois, and to perform such related tasks thereto as may be assigned to him by the President or Board of Directors of Company, and Mayes hereby accepts such appointment. Mayes shall devote that portion of his time and effort which is available after he has fulfilled his duties as an employee of University, to the performance of his duties for Company and its said subsidiary.

2. Ownership of Patents and Disclosure of Research.

(A) Mayes shall disclose fully to the officers of Company designated by the President, the results of all research done by or under his direction, and any and all inventions and discoveries which he shall conceive and/or make during his period of employment by Company and for a period of 6 months after the termination of his employment with Company, and which are in whole or in part connected with or the result of his work for Company. Such disclosures are to be made promptly after the conception of each invention and the making of each discovery, and such inventions and discoveries are to become and remain the property of Company, whether or not patent applications are filed thereon. Upon request and at the expense of Company, Mayes shall make application at the expense of and through the Patent Solicitors of Company, for Letters Patent of the United States and any and all other countries on said inventions and discoveries, and shall assign all such applications to Company or its order forthwith, and Mayes shall give Company, its attorneys and solicitors, all reasonable assistance in preparing and prosecuting said applications, and on request of Company shall execute all papers and do all things that may reasonably be required in order to protect the rights of Company and vest in it or its assigns the inventions, applications and Letters Patent herein contemplated.

(B) Anything to the contrary notwithstanding.

(1) The inventions, discoveries, patents and applications listed on Exhibit "A" annexed hereto and made part hereof, represent items on which Mayes has worked prior to the date of this agreement and are excluded from the operation of the next preceding paragraph hereof respecting assignment to Company.

(2) It is recognized that any applications, patents and inventions which Mayes may discover or perfect as a direct result of his regular duties on University time and at University expense, or which research is paid for by University funds or which has been developed in whole or in part by University resources or facilities shall belong to University.

3. Compensation.

For all the services to be rendered by Mayes as said Technical Consultant or in any other capacity hereunder, including services as an officer, director or member of any committee of Company and/or its said subsidiary or any other duties assigned him by the President or the Directors of Company, Company agrees to pay Mayes a fee of \$5,000.00 per annum, payable in equal monthly installments at the end of each month plus a bonus to be paid four times a year as computed on the following bases:

(A) _____ of Company's net shipments of all products whose design is based upon a prototype developed by Mayes using concepts which are covered in patents applied for or held by the University of Illinois Foundation.

(B) _____ of Company's net shipments of all products whose design is based upon a prototype developed by Mayes using new concepts disclosed to Company by Mayes during the period of this agreement providing those concepts are determined not to be the property of the University and therefore to be patentable by Company.

(C) If the net shipments of the said products above set forth in subdivisions (A) and (B) total more than \$1,000,000.00 during any calendar

year, then the above percentages shall be reduced by 50% with respect to said excess for said year.

(D) In addition Mayes shall be reimbursed for out-of-pocket expenses incurred by him with the prior authorization of Company.

(E) The term "net shipments" shall mean the amount of sales of said products included within subdivisions (A) and (B) hereinabove actually shipped and collected for by Company, less returns, discounts, allowances, failure of collection, advertising and other credits and similar deductions and losses.

4. Term of Agreement.

Except as otherwise specifically provided in paragraphs 5(A) and (B) hereof, this agreement shall commence on the date hereof and shall terminate 2 years thereafter. However, Company shall have the option to continue, extend and renew this agreement, upon the same terms and conditions as herein set forth, for an additional 3-year term, upon giving Mayes advance written notice at least 60 days prior to the expiration of said 2-year term.

5. Death or Disability.

(A) In the event of Mayes' death during the first 2 years of this agreement (herein called the "initial term"), Mayes' legal representatives shall be entitled to receive the fee due Mayes up to the last day of the calendar month in which his death shall have occurred, and said bonus shall continue to be paid to Mayes' estate as herein provided for 3 years thereafter. If his death occurs after the third year, that is, during the "renewal term", then said bonus shall be payable for only 2 years thereafter.

(B) If, during the term of this agreement, Mayes shall fail to perform his duties hereunder on account of illness or other incapacity, and such illness or other incapacity shall continue for more than 3 months, Company shall have the right on 30 days' notice to Mayes to terminate this agreement and his appointment hereunder. In this event, Company shall be obligated to pay to Mayes his fee up to the date of termination, and the bonus shall continue to be paid to Mayes for 3 years thereafter if such termination for disability occurs during the initial term, or for 2 years thereafter if such termination for disability occurs after 3 years, that is, during the renewal term.

6. Restrictions.

(A) During the term of this agreement Mayes shall not be engaged in any other commercial activity, alone or as a partner, officer or director of, or as a consultant to, any other institution or company without the consent of the Board of Directors of Company.

(B) During the period of this agreement and for a further period of 3 years if Mayes' employment is terminated at the end of the initial term of 2 years, or for 2 years if his employment is terminated at the end of 5 years if Company extends his contract for an additional 3 years, Mayes shall not, directly or indirectly, engage in the production, manufacture or distribution of any products competitive with those manufactured or sold by Company, either for his own benefit or for the benefit of any other person, firm or corporation whatsoever other than Company, except that which he is required to do by University.

7. Waivers and Modifications.

The waiver by either party of a breach of any provision of this agreement shall not operate as or be construed as a waiver of any subsequent

breach thereof. No modification or change in this agreement shall be effective unless in writing signed by the parties hereto.

8. Notice.

Any and all notices referred to herein shall be sufficient if furnished in writing and sent by registered or certified mail to the respective parties at the addresses hereinabove set forth.

9. Assignment.

The rights and benefits of Company under this agreement shall be transferable by it, and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by or against its successors and assigns.

10. It is understood that Mayes executes this agreement in his individual capacity and not as an agent for the University of Illinois, which is not a party hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their respective hands and seals the day and year first above written.

J.F.D. ELECTRONICS CORPORATION

By: Edmund Trubel

Paul E. Mayes
Paul E. Mayes

Witnessed by:

Richard H. Sella
John H. Lyson