TRADEMARK ASSIGNMENT

Electronic Version v1.1 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Mark Hose		02/08/2007	INDIVIDUAL: UNITED STATES
Recon Systems, Inc.		02/08/2007	CORPORATION: ALABAMA

RECEIVING PARTY DATA

Name:	Primos, Inc.	
Street Address:	604 First Street	
City:	Flora	
State/Country:	MISSISSIPPI	
Postal Code:	39071	
Entity Type:	CORPORATION: MISSISSIPPI	

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Serial Number:	77006789	BLOODHUNTER

CORRESPONDENCE DATA

Fax Number: (801)799-5700

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 801-799-5830

Email: slcipdocket@hollandhart.com

Correspondent Name: L. Grant Foster Address Line 1: P.O. Box 11583

Address Line 4: Salt Lake City, UTAH 84110

ATTORNEY DOCKET NUMBER:	46170.0201
NAME OF SUBMITTER:	L. Grant Foster
Signature:	/L. Grant Foster/
Date:	07/02/2007 TDADEMARK
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PATENT ASSIGNMENT AND ROYALTY AGREEMENT

This Patent Assignment and Royalty Agreement ("Agreement") is made and entered into this day of February, 2007 (the "Effective Date"), by and between Mark Hose, an individual ("Inventor" or "Hose"), Recon Systems, Inc., an Alabama corporation ("Recon"), and Primos, Inc., a Mississippi corporation ("Primos").

RECITALS

- A. Hose and Dr. Charles Beyer, have invented structures that emit an optimized light spectrum for detecting blood, as further described in a U.S. provisional patent application, Ser. No. 60/776,456, a copy of which is attached hereto as <u>Exhibit A</u> (the "Invention"). Recon has obtained an assignment from Dr. Beyer of all of his right, title, and interest to the Invention, and Recon has not, previous to this Agreement, assigned any right, title, or interest in or to the Invention to any party. A copy of this assignment is attached as <u>Exhibit B</u>. Thus, Hose and Recon own all right, title, and interest in and to the Invention.
- B. Hose and Recon desire to convey to Primos all right, title, and interest in and to the Invention, and all rights, both foreign and domestic, to file applications for utility and design patent protection to cover the Invention, and all patents, both foreign and domestic, hereafter granted on the Invention.
- C. Primos desires to obtain all right, title, and interest in the Invention as well as all right, title, and interest in any and all patent applications and resulting patents, both foreign and domestic, relating to the Invention for use in its business to an extent determined exclusively by Primos to be appropriate.

AGREEMENT

NOW THEREFORE, for payment of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- Ownership and Novelty Warranties and Representations. Recon and Hose represent and warrant that they have not previously assigned any right, title or interest in and to the Invention to any third party. Recon and Hose represent and warrant that to the best of their knowledge, Hose and Dr. Beyer are the first and original inventors of the Invention, as shown and described to Primos prior to the execution of this Agreement and as identified herein. If any party discovers another third-party patent that would require Primos to pay an additional royalty to practice the Invention, Recon and Hose agree that the amount of any such additional royalty will be subtracted from the Royalty, as defined below, but in no event shall Primos pay Recon a Royalty of less than three percent (3%), as defined below, for the term of this Agreement.
- Assignment of Invention. Hose and Recon hereby sell, assign, and transfer to Primos all right, title, and interest in and to the Invention, together with all rights to seek patent protection, both design and utility, in the United States and in all foreign countries (at the sole discretion of Primos). Hose and Recon agree to execute any and all necessary assignment documents to reflect the foregoing assignment.
- 1.3 <u>Further Acts</u>. Hose and Recon shall perform any act required by Primos to procure patent protection for the Invention, both in the United States and in foreign countries. Hose and Recon shall

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further comply with all reasonable requests by Primos to assist with production and marketing of the product. Primos shall pay all expenses necessary to procure patent protection in accordance with this Agreement.

- 1.4 <u>Consideration</u>. As consideration for the rights granted pursuant to this Agreement, Primos shall pay Recon as follows:
- a. <u>Pre-Issuance</u> Royalty. Prior to issuance of any patent, design or utility, for the Invention, for products that will likely become Covered Products (defined below), which are manufactured by Primos or contracted by Primos to be manufactured, Primos shall pay to Recon a Royalty of six percent (6%) on the gross selling price, minus returns, promotional give-aways (e.g., Covered Products given to outdoor writers to promote the Invention), and shipping costs, of such likely-to-become Covered Products from Primos to a third party. This Pre-Issuance Royalty shall be payable beginning on the effective date of this Agreement. If Primos receives a final rejection of the independent claims of the patent application for the Invention by the U.S. Patent and Trademark Office ("USPTO") the Royalty shall be reduced to three percent (3%) on the gross selling price, minus returns, promotional give-aways, and shipping costs, of Covered Products, and shall be payable for three (3) years from the mailing date of the final rejection.
- b. <u>Post-Issuance Royalty</u>. After issuance of a patent directed to the Invention, Primos shall pay to Recon, for the life of any valid utility or design patent acquired by Primos for the Invention, a monthly royalty (the "Royalty") on articles utilizing the Invention (the "Covered Products") in the amounts set forth in subsections (i) and (ii) below. The Covered Products shall include any device that utilizes the Invention (as determined by the claims of any resulting utility or design patent) and are manufactured by or on behalf of Primos, or of any Primos licensee. The obligation of Primos to pay the Post-Issuance Royalty will terminate upon the expiration of the last-to-expire utility or design patent obtained for the Invention, or upon the mailing date of a final rejection of the independent claims of the patent application for the Invention by the USPTO.
- i. In consideration, in part, for the Invention and the provisional patent application, Primos shall pay Recon an initial payment of Eight Thousand Dollars (\$8,000.00), which Primos shall pay within sixty (60) days from the effective date of this Agreement.
- ii. For Covered Products manufactured by Primos, or contracted by Primos to be manufactured, Primos shall pay a Royalty of six percent (6%) on the gross selling price, minus returns, shipping, and promotional give-aways, of Covered Products sold by Primos to a third party. For example, payment from Wal-Mart to Primos of \$1,000.00 for the purchase of Covered Products will result in an aggregate selling price of \$1,000.00, minus shipping costs and any products returned to Primos, and Primos would pay a 6% Royalty on such sales. When Covered Products are included in a pack that includes non-Covered Products, Primos shall pay a Royalty of six percent (6%) of the value (i.e., the estimated sales price) of such Covered Products, as reasonably determined by Primos, regardless of the sales price of the pack. For example, if a pack sells for ten dollars (\$10.00), and five dollars (\$5.00) is the value of the Covered Product, then Primos owes a royalty of 30¢ (i.e., 6% of \$5.00).
- iii. If Primos licenses the Invention to one or more third parties, Primos shall continue to be obligated to pay Recon a Royalty for each Covered Product sold by any such licensee, minus returns and shipping costs of the licensee, as set forth in Section 1.4.b.ii.

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- c. Royalties shall accrue with respect to the Covered Products upon shipment by or on behalf of Primos to any purchaser or other transferee for value and shall be payable monthly. Returns shall be deducted from Royalties. Primos shall, within thirty (30) days following the end of any month during which Royalties accrue, send to Recon an accounting of all Royalties accrued during such month together with payment of such Royalties.
- d. Notwithstanding any of the foregoing, if circumstances beyond Primos' control arise (e.g., a worker strike or other force majeure event) that would prevent Primos from shipping products under Section 1.4(c), Primos shall have no obligation to pay Recon during the period that corresponds to the circumstances beyond Primos' control.
- e. Royalties defined in Section 1.4(a), above, shall be paid by Primos to Recon during the time a patent application is being prepared and while the patent application is pending before the USPTO. If it is deemed by patent counsel that economically viable patent protection cannot be secured for the Invention, after reasonable efforts by Primos as set forth in Section 1.6 below, and after the mailing date of a final rejection of the independent claims of the patent application for the Invention, Primos shall owe Recon no Royalty beyond the pre-patent Royalty set forth in Section 1.4a.
- f. Primos shall keep records showing the sales, license fees, or other disposition of Covered Products sold or otherwise disposed of in sufficient detail to enable the Royalty payable hereunder by Primos to be determined, and further agrees to permit its books and records to be examined no more than once per quarter to verify the reports provided for in Section 1.4(b), such examination to be made during business hours and at the expense of Recon by any auditor appointed by Recon who shall be acceptable to Primos, or, at the option and expense of Primos, by a certified public accountant appointed by Primos.
- g. Primos agrees to begin marketing Covered Products no later than December, 2008. Primos further agrees to show and offer for sale Covered Products each year, beginning in 2008 and thereafter, during the term of this Agreement. If Primos fails to make royalty payments for twelve (12) consecutive months, Recon may send Primos a Notice of Default which, if not cured, will terminate this Agreement. In such circumstances, Primos will assign to Recon any patent rights Primos has obtained for the Invention, and fully cooperate in the executing all required documentation necessary to effect such assignment.
- 1.5 <u>Trademarks</u>. Primos shall own and retain all rights to any trademarks it uses in connection with the sale of any products that utilize the Invention. In addition, upon execution of this Agreement, Recon agrees to assign all right, title, and interest, together with any goodwill attendant thereto, in the mark BLOODHUNTER, including the pending U.S. Trademark Application Ser. No. 77006789, to Primos. A copy of the BLOODHUNTER U.S. Trademark Application is attached as Exhibit C.
- Patent Prosecution. Primos shall have the sole and exclusive discretion with respect to pursuing design or utility patent protection for the Invention. After a final rejection under any of Sections 101, 102, 103, or 112 of Title 35 of the United States Code by the USPTO of the independent claims of the patent application for the Invention, and if competent patent counsel advises that such final rejection cannot reasonably be traversed, and that no reasonable procedural action to continue prosecution would result in an economically viable patent, Primos shall have the sole, absolute, and unequivocal right to discontinue the patent application process. If one or more utility patent issues covering the Invention,

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Primos shall retain the exclusive right to make, use, sell, offer for sale, and import products covered by such patent(s).

- 1.7 During the term of this Agreement, any new inventions of Hose or Recon relating to lighting inventions (e.g., lights and flashlights), which have been successfully reduced to practice, shall be presented by Hose or Recon to Primos in writing, and Primos shall have the first opportunity to secure the exclusive rights to any such inventions. If Primos does not reach an agreement in principle with Hose or Recon regarding a new lighting invention within 45 days of Primos' receipt of the invention in writing, Hose or Recon may offer the invention to third parties.
- 1.8 <u>Enforcement.</u> Primos shall have the sole discretion to enforce any resulting patent rights against infringement by any third party. Primos shall be required to pay its own costs for such enforcement efforts and shall be entitled to keep for itself any recovery pursuant to such enforcement efforts. Hose and Recon shall assist Primos with any such enforcement efforts and Primos shall pay the reasonable costs and expenses of Hose and Recon in providing reasonable assistance.
- 1.9 <u>Term.</u> The term of this Agreement shall be from the Effective Date until the expiration of the latest-to-expire of any design or utility patent for the Invention (the "Term"), or until three (3) years beyond the mailing date of a final rejection of the independent claims of a pending patent application for the Invention, whichever is longer.
- 1.10 <u>Cure Period; Termination</u>. Upon notice from either party that the other has breached this Agreement, the party in breach shall have ninety (90) days to cure such breach measured from the date it receives notice. In the event that such party fails to cure such breach, the non-breaching party shall have the right to terminate this agreement, effective upon issuance of written notice of termination.
- 1.11 <u>Transfer</u>. Except as otherwise provided herein, this Agreement is fully transferable. All terms and conditions of this Agreement shall extend to and be binding upon the heirs, personal representatives, and assigns of Hose and on the successors and assigns of Primos.
- 1.12 Attorney's Fees. In the event it becomes necessary to enforce this Agreement in a court of law, the prevailing party shall have all of its fees and expenses in connection with such enforcement paid by the non-prevailing party.
- 1.13 <u>Amendment</u>. The parties may only amend this Agreement by a mutual, subsequently dated, written amendment numbered and signed on behalf of both parties by their duly authorized representatives.
- 1.14 Entire Agreement. This Agreement constitutes the entire and exclusive written agreement between the parties. If there are any modifications to be made to this Agreement, it shall be made in writing and executed by both parties, as provided in Section 1.13.
- 1.15 <u>Counterparts</u>. This Agreement may be executed by facsimile signature and in two (2) or more counterparts, each of which will be deemed an original, and all of which shall constitute one and the same instrument.
- 1.16 <u>Choice of Law.</u> This Agreement shall be construed, interpreted, and applied in accordance with the laws of the State of Utah. The parties hereto agree that the exclusive jurisdiction and venue for any action brought between the parties under this Agreement shall be the state and federal

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courts sitting in Utah, and each of the parties hereby agrees and submits itself to the exclusive jurisdiction and venue of such courts for such purpose.

IN WITNESS WHEREOF, the parties enter into this Agreement effective as of the date first above written.

PRIMOS:

HOSE:

PRIMOS, INC.

Willast

Mark Hose, as an Individual

RECON:

RECON SYSTEMS, INC.

By:_

Its: PRESIDENT

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RECORDED: 07/02/2007