



STATITROL

140 SOUTH UNION BOULEVARD
LAKEWOOD, COLORADO 80228
(303) 986-1581

February 25, 1977

Mr. Paul A. Staby
13299 West Dakota Place
Lakewood, Colorado 80228

Dear Paul:

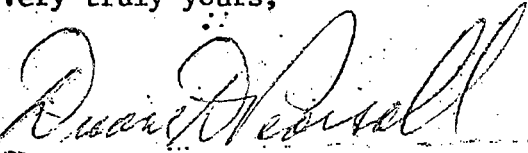
This letter represents an agreement to waive the usual Engineering Employment Agreement concerning development of products consistent with the technology used in present Statitrol smoke detectors.

Per our discussion of October 1976, you advised me that you were currently working on a patentable idea that would relate to smoke detectors. You felt this idea would be a significant breakthrough in the state-of-the-art and wanted to pursue its development, but would not do so if the development became the ownership of Statitrol since you had made all of your development efforts outside of normal business hours.

I agreed, and hereby reaffirm, that Statitrol Corporation would prefer your continuing this development and would appreciate the opportunity of your offering such development to Statitrol Corporation in consideration of an appropriate royalty agreement at that time. We recognize this to be a Waiver of your Employment Agreement and consider such a Waiver in the best interests of you personally and of the future product developments of Statitrol Corporation.

If you agree this letter constitutes the essence of our agreement, please acknowledge below.

Very truly yours,

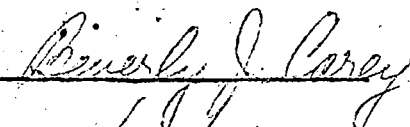

Duane D. Pearsall
President

bc

Acknowledgement of Agreement:

By 
Paul A. Staby

Date 2/26/77

Witness 

Date 2/26/77