

11-10-1999

RE



LET

MND 11/8/99

101197473

Attorney's Docket No. 032837-002

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Stephen W. HAGUE

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

Assignment Merger
 Security Agreement Change of Name

Other: _____

Execution Date: January 22, 1996

2. Name and address of receiving party(ies):

Name: Medical Air Technology Corporation

Address: 80 Cedar Street

Canton, Massachusetts 02021

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

08/688,620

B. Patent No.(s)

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Michael B. Chernoff, Esquire

Address: BURNS, DOANE, SWECKER & MATHIS, L.L.P.

P.O. Box 1404

Alexandria, Virginia 22313-1404

6 Total number of applications and patents involved: 1

7 Total fee (37 CFR 3.41): \$ 40.00

Enclosed

Authorized to be charged to deposit account, if necessary

8. Deposit account number:

02-4800

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Michael B. Chernoff, Reg. No. 42,408
Name of Person Signing

Signature

November 8, 1999
Date

Total number of pages including cover sheet, attachments, and document: 10

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

11/09/1999 DNGUYEN 00000270 08688620

01 FC:581

(40.00)

**CONFIDENTIALITY, PROPRIETARY INFORMATION
AND INVENTIONS AGREEMENT**

To: Medical Air Technology Corporation
80 Cedar Street
Canton, Massachusetts 02021

As of January 22, 1996

The undersigned (i) in consideration of and as a condition of employment or continued employment by Medical Air Technology Corporation (the "Company"), and (ii) as a condition precedent to Marwan Investment Inc. ("Marwan") and Marwani Holding Company N.V. ("Marwani") (collectively, Marwan and Marwani are referred to as the "Investors") entering into that certain Investment and Stockholders Agreement (the ("Investment Agreement")) of even date herewith, hereby agrees as follows:

1. Other Activities During Employment.

1.1 Except for any outside directorships currently held by me as listed on Schedule A attached hereto and made a part hereof, I hereby agree that during the period of my employment with the Company, I will notify the Company and the Investors if I undertake or engage in any other business enterprise (collectively, the "Activity"), other than one in which I am an inactive investor. I shall notify the Company and the Investors prior to beginning any Activity. The Company may require me to terminate any such Activity if the Company in its sole discretion determines that such Activity interferes with my obligations under this Agreement. Notwithstanding anything else set forth herein in the contrary, I hereby agree that during the term of my employment by the Company I will devote substantially all my working time and effort to the business of the Company and the Investors.

1.2 I hereby agree that, except as disclosed on Schedule A hereto, during my employment with the Company and for a period of two (2) years thereafter, I will not, directly or indirectly, engage (a) individually, (b) as an officer, (c) as a director, (d) as an employee, (e) as a consultant, (f) as an advisor, (g) as an agent (whether a salesperson or otherwise), (h) as a broker, or (i) as a partner, coventurer, stockholder or other proprietor owning directly or indirectly more than one percent (1%) interest, in any firm, corporation, partnership, trust, association, or other organization which is engaged in the medical equipment business or any other line of business engaged in or under demonstrable development by the Company or any business activity which is directly or indirectly in competition with the products or services being developed, sold or otherwise

provided by the Company (such firm, corporation, partnership, trust, association, or other organization being hereinafter referred to as a "Prohibited Enterprise") located or doing business in the United States, or in any other country in which the Company is engaged in business or intends to engage in business. Except as may be shown on Schedule A hereto, I hereby represent that I am not engaged in any of the foregoing capacities (a) through (i) in any Prohibited Enterprise.

2. **Nonsolicitation.** For a period of two (2) years after the termination or expiration, for any reason, of my employment with the Company, I shall not entice, induce or encourage any of the Company's other employees to engage in any activity which, were it done by me, would violate any provision of this Agreement, nor shall I directly or indirectly solicit or induce any employee of the Company to leave his or her employment with the Company.

3. **Confidentiality.** I agree to keep confidential, except as the Company may otherwise consent in writing, and, except for the Company's benefit, not to disclose or make any use of at any time either during or subsequent to my employment, any Inventions (as hereinafter defined), trade secrets, confidential information, knowledge, data or other information of the Company relating to products, franchises, processes, know-how, techniques, methods, designs, formulas, test data, customer lists, business plans, marketing plans and strategies, pricing strategies, or other subject matter pertaining to any business of the Company or any of its affiliates, which I may produce, obtain, or otherwise acquire during the course of my employment, except as herein provided. I further agree not to deliver, reproduce or in any way allow any such trade secrets, confidential information, knowledge, data or other information, or any documentation relating thereto, to be delivered to or used by any third parties without specific direction or consent of a duly authorized representative of the Company.

4. **Return of Confidential Material.** In the event my employment with the Company terminates for any reason whatsoever, I agree to promptly surrender and deliver to the Company all trade secrets, confidential information processes, records (including, but not limited to, designs, formulae, test data, customer lists, business plans and strategies, Inventions or other written memoranda) materials, equipment, drawings, documents and data of which I may obtain or produce during the course of my employment, and I will not take with me any description containing or pertaining to any confidential information, knowledge or data of the Company which I may produce or obtain during the course of my employment.

5. **Assignment of Inventions.**

5.1 I hereby acknowledge and agree that the Company is the owner of all Inventions. In order to protect the Company's rights to such Inventions, by executing this Agreement I hereby acknowledge and agree that all Inventions are expressly regarded as "works for hire," and irrevocably assign to the Company all my right, title and interest in and to all Inventions.

5.2 For purposes of this Agreement, "Inventions" shall mean all discoveries, processes, designs, technologies, technical specifications, methods, techniques, devices, or improvements in any of the foregoing or other ideas, whether or not patentable or copyrightable (but including, without limitation, all patents, patent applications or other patent rights) and whether or not reduced to practice, made or conceived by me (whether solely or jointly with others) or which I otherwise have or obtain in each case, other than as set forth in Section 5.3 during the period of my employment with the Company which relate directly to the actual business, work, or research and development of the Company, or result from or are suggested by any task assigned to me or any work performed by me for or on behalf of the Company or otherwise arise out of my employment with the Company.

5.3 Any discovery, process, design, method, technique, technology, device, or improvement in any of the foregoing or other ideas, whether or not patentable or copyrightable and whether or not reduced to practice, made or conceived by me (whether solely or jointly with others) which I develop entirely on my own time not using any of the Company's equipment, supplies, facilities, or trade secret information ("Personal Invention") is excluded from this Agreement provided such Personal Invention does relate to the actual business, work, or research and development of the Company, or result from or are suggested by any task assigned to me or any work performed by me for or on behalf of the Company or otherwise arise out of my employment with the Company.

6. **Disclosure of Inventions.** I agree that in connection with any Invention, I will promptly disclose such Invention to the President of the Company and to the Investors in order to permit the Company to enforce its property rights to such Invention in accordance with this Agreement. My disclosure shall be received in confidence by the Company and the Investors.

7. **Patents and Copyrights; Execution of Documents.**

7.1 Upon request, I agree to assist the Company or its nominee (at its expense) during and at any time subsequent to my employment in every reasonable way to obtain for its own benefit patents and copyrights for Inventions in any and all countries. Such patents and copyrights shall be and remain the sole and exclusive property of the Company or its nominee. I agree to perform such lawful acts as the Company deems to be necessary to allow it to exercise all right, title and interest in and to such patents and copyrights.

7.2 In connection with this Agreement, I agree to execute, acknowledge and deliver to the Company or its nominee upon request and at its expense all documents, including assignments of title, patent or copyright applications, assignments of such applications, assignments of patents or copyrights upon issuance, as the Company may determine necessary or desirable to protect the Company's or its nominee's interest in the Inventions, and/or to use in obtaining patents or copyrights in any and all countries and to vest title thereto in the Company or its nominee to any of the foregoing. The obligations in this Section 7 shall continue beyond the termination of my

employment with the Company with respect to Inventions which occur during the term of such employment.

8. **Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Inventions made by me (in the form of notes, sketches, drawings, flowcharts, printouts, diskettes and other records as may be specified by the Company), which records shall be available to and remain the sole property of the Company at all times.

9. **Prior Inventions.** It is understood that all Personal Inventions, if any, whether patented or unpatented, which I made prior to my employment by the Company, are excluded from this Agreement. To preclude any possible uncertainty, I have set forth on Schedule B attached hereto a complete list of all of my prior Personal Inventions, including numbers of all patents and patent applications and a brief description of all unpatented Personal Inventions which are not the property of a previous employer, and have designated those which have been assigned or transferred to the Company. I represent and covenant that the list is complete and that, if no items are on the list, I have no such prior Personal Inventions. I agree to notify the Company in writing before I make any disclosure or perform any work on behalf of the Company which appears to threaten or conflict with proprietary rights I claim in any Personal Invention. In the event of my failure to give such notice, I agree that I will make no claim against the Company with respect to any such Personal Invention.

10. **Other Obligations.** I acknowledge that the Company from time to time may have agreements with other persons, companies, entities, the U.S. Government or agencies thereof, which impose obligations or restrictions on the Company regarding Inventions made during the course of work thereunder or regarding the confidential nature of such work. I agree to be bound by all such obligations and restrictions and to take all action necessary to discharge the Company's obligations.

11. **Trade Secrets of Others.** I represent that my performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep confidential proprietary information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company, and I will not disclose to the Company, or induce the Company to use, any confidential or proprietary information or material belonging to any previous employer or others. I agree not to enter into any agreement either written or oral in conflict herewith.

12. **No Employment Obligation, Modification.** I understand and agree that this agreement does not create a obligation on the part of the Company to continue my employment with the Company. I understand that I am employed as an employee at will. I agree that any subsequent change or changes in my employment duties, salary or compensation or, if applicable, in any Employment Agreement between the Company and me, shall not affect the validity or scope of this Agreement.

13. **Arbitration.** Except as set forth below, any dispute concerning this Agreement including, but not limited to, its existence, validity, interpretation, performance or non-performance, arising before or after termination or expiration of this Agreement, shall be settled by a single arbitrator in the city where the Company maintains its principal executive offices at the time and shall be chosen in accordance with the following procedure: Each party to this Agreement shall choose an independent arbitrator, and if the parties choose a separate arbitrator, then two arbitrators chosen shall choose a third, independent arbitrator to hear the dispute. Any decision of the arbitrator shall be final and binding. Judgment upon any award may be entered in any court having competent jurisdiction and there shall be no right of appeal with respect to the arbitrator's decision. Notwithstanding the above, I agree that a remedy at law of the Company would be inadequate as to any violation of the obligations or warranties set forth above and that in the event of any such violation I agree that the Company shall be entitled to preliminary and permanent injunctions in any court of competent jurisdiction. I agree to bear all expenses (including attorneys fees) incurred by the Company in enforcing this Agreement.

14. **Successors and Assigns; Third Party Beneficiary.** This Agreement shall be binding upon my heirs, executors, administrators or other legal representatives and is for the benefit of the Company, its successors and assigns. The parties hereto understand and agree that each of the Investors is a third party beneficiary of the provisions of this agreement for so long as it holds any Notes or Preferred Stock (and prior to a Qualified Public Offering, Warrants) (as such terms are defined in the Investment Agreement), and shall, during such period, be entitled to enforce all the provisions of this agreement on behalf of the Company and on its own behalf.

15. **Interpretation.** It is the intent of the parties that in case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Moreover, it is the intent of the parties that if any provision of this Agreement is or becomes or is deemed invalid, illegal or unenforceable or in case any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, such provision shall be construed by amending, limiting and/or reducing it to conform to applicable laws so as to be valid and enforceable or, if it cannot be so amended without materially altering the intention of the parties, it shall be stricken and the remainder of this Agreement shall remain in full force and effect.

16. **Waivers.** No waiver of any right under this Agreement shall be deemed effective unless contained in a writing signed by the party charged with such waiver, and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future such right or of any other right arising under this Agreement. If either party should waive any breach of any provision of this Agreement, he or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

17. **Complete Agreement, Amendments.** I acknowledge receipt of this Agreement, and agree that with respect to the subject matter thereof it is my entire agreement with the Company.

17. **Complete Agreement, Amendments.** I acknowledge receipt of this Agreement, and agree that with respect to the subject matter thereof it is my entire agreement with the Company, superseding any previous oral or written communications, representations, understandings, or agreements with the Company or any officer or representative thereof. Any amendment to this Agreement or waiver by either party of any right hereunder shall be effective only if evidenced by a written instrument executed by the parties hereto, and, in the case of the Company, upon written authorization of the Company's Board of Directors.

18. **Remedies Upon Breach.** I acknowledge that a remedy at law may be inadequate as to any breach of this Agreement, and that in the case of any breach the non-breaching party shall be entitled to preliminary and permanent injunctions or other equitable remedies (in addition to legal remedies) in any court of competent jurisdiction.

19. **Headings.** The headings of the Sections contained in this Agreement are inserted for convenience and reference only and in no way define, limit, extend or describe the scope of this Agreement, the intent of any provisions hereof, and shall not be deemed to constitute a part hereof nor to affect the meaning of this Agreement in any way.

20. **Counterparts.** This Agreement may be signed in two counterparts, each of which shall be deemed an original and both of which shall together constitute one agreement.

21. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to its conflict of laws principles.

22. **Notices.** All notices, requests, demands and communications which are or may be required to be given hereunder shall be deemed effectively given if and when sent by registered or certified mail, return receipt requested, postage prepaid, to the following addresses:

If to the Company: Medical Air Technology Corporation
80 Cedar Street
Canton, Massachusetts 02021
Attention: Frank Paradise, President


With a copy to: Andrew D. Myers, Esquire
O'Connor Broude & Aronson
950 Winter Street, Suite 2300
Waltham, Massachusetts 02154

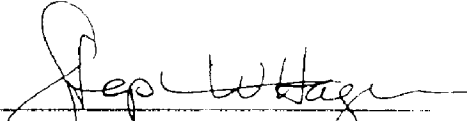
If to Employee: Stephen W. Hague

IN WITNESS WHEREOF, this Confidentiality, Proprietary Information and Inventions Agreement is accepted and agreed as of the date set forth above.

MEDICAL AIR TECHNOLOGY
CORPORATION,
a Massachusetts corporation

EMPLOYEE

By: 
Name: FRANK J. FOX
Title: President

By: 
Name: STEPHEN W. HAGUE

245750.e1

**OUTSIDE EMPLOYMENTS AND DIRECTORSHIPS
OF STEPHEN W. HAGUE**

LIST OF PRIOR INVENTIONS

OF STEPHEN W. HAGUE

<u>Title</u>	<u>Date</u>	<u>Identifying Number or Brief Description</u>
Rooftop Energy Recovery/ Ventilation System	1991	Design patent on exterior appearance of commercial ventilation system.