

## RECORDATION FORM COVER SHEET

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Commissioner of Patents and Trademarks, Washington,  
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2007 FEB 26 PM 12: 27

1. Name of conveying party(ies):

Steridian Corporation

103375699

arty(i) FINANCE SECTION

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

Name: Fury Technologies Corporation

Address: 501 SE Columbia Shores Blvd., Suite 250

3. Nature of Conveyance:

- ☒ Assignment ☐ Merger  
☐ Security Agreement ☐ Change of Name  
☐ Other:

City: Vancouver  
State: WASHINGTON

ZIP Code: 98661

Country: USA

Execution Date: December 13, 2006

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):

11/569,498

B. Patent No.(s):

Additional numbers attached? ☐ Yes ☒ No

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

Name: Gerald J. Stanton, Esq.  
Address: Harrington & Smith, PC  
4 Research Drive

City: Shelton

State: CT

ZIP Code: 06484-6212

6. Total number of applications

and/or patents involved: ..... 1

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

- ☐ Enclosed - previously provided - check# 1028  
☐ Charge deposit account  
☒ Please charge any fee deficiency to deposit account  
50-1924

8. Deposit account number: 50-1924

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, the attached document is either an original document or a true copy of the original document.*

Gerald J. Stanton  
Name of Person Signing

Signature

Feb 22, 2007  
Date

Total number of pages including cover sheet(s):

Page 1 of .

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Commissioner of Patents and Tradem

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FINANCE SECTION

## 1. Name of conveying party(ies):

Steridian Corporation

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

## 3. Nature of Conveyance:

☒ Assignment☐ Merger☐ Security Agreement☐ Change of Name☐ Other:

Execution Date: October 23, 2003; December 1, 2003; December 12, 2003; March 3, 2005; December 1, 2003; February 2, 2004; February 14, 2004; March 24, 2004; April 15, 2004; October 12, 2004; May 24, 2005; respectively

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

Name: Fury Technologies Corporation

Address: 201 NE Park Plaza Drive

City: Washougal

State: WASHINGTON

ZIP Code: 98671

Country: USA

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):

11/569,498

B. Patent No.(s):

Additional numbers attached? ☐ Yes ☒ No

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4 Research Drive

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Name of Person Signing

Signature

Date

Total number of pages including cover sheet(s):

Page 1 of .

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# ASSIGNMENT OF INVENTION

In accordance with an agreement between ASSIGNEE and ASSIGNOR for good and valuable consideration,

## ASSIGNOR:

Steridian Corporation  
PO Box 4971  
Ketchum, Idaho 83340

hereby sells, assigns, and transfers to:

## ASSIGNEE:

Fury Technologies Corp.  
2520 North 4th Street  
Washougal, Washington 98671

and the successors, assigns, and legal representatives of the ASSIGNEE, the entire right, title, and interest for the United States and its territorial possessions, and in all foreign countries, including all rights to claim priority, and to any and all improvements that are disclosed in the invention entitled:

## TRANSMISSIVE, OPTICALLY ADDRESSED, PHOTSENSITIVE SPATIAL LIGHT MODULATORS AND COLOR DISPLAY SYSTEMS INCORPORATING SAME

which is found in:

- ☒ U.S. Provisional Patent Application No. 60/574,237, filed May 24, 2004;  
International Patent Application No. PCT/US2005/018305, filed May 24, 2005;  
and U.S. Patent Application No. 11/569,498, filed November 21, 2006,
- ☒ and any legal equivalent thereof in a foreign country, including the right to claim priority,

and, in and to, all Letters Patent to be obtained for said invention, the above applications, or any continuation, division, renewal, or substitute thereof, and as to Letters Patent any reissue or re-examination thereof.

PorUnd2-4598822.1 0061443-00001

ASSIGNOR hereby covenants that no assignment, sale, agreement, or encumbrance has been or will be made or entered into that would conflict with this assignment.

ASSIGNOR further covenants that ASSIGNEE will, upon its request, be provided promptly with all pertinent facts and documents relating to said invention and said Letters Patent and legal equivalents as may be known and accessible to ASSIGNOR and will testify as to the same in any interference, litigation, or proceeding related thereto and will promptly execute and deliver to ASSIGNEE or its legal representatives any and all lawful papers, instruments or affidavits required to apply for, obtain, maintain, issue and enforce said application, said invention and said Letters Patent and said equivalents thereof that may be necessary or desirable to carry out the purposes thereof.

STERIDIAN CORPORATION

By:

Name: Timothy D. Semones

Title: Chief Financial Officer

*Carl E. Long* President  
Furget Technologies Corp.

PorUnd2-4598822.1 0061443-00001

**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

Steridian Corporation and its affiliates (collectively, the "**Company**") are engaged in a continuous effort of technical innovation, product development and marketing, and administration of the Company's business. The success of these efforts depends on the Company's ability to draw upon the creative talents of its employees and to maintain the flow of information among its employees. For this reason, all employees of the Company are requested to sign this Employment and Intellectual Property Agreement (this "**Agreement**") under which:

- A. The Company's policy of "at will" employment is confirmed;
- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

**1. Scope of Employment.**

**1.1 Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

**1.2 Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.

**2. Protection of Confidential Information.**

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("**Confidential Information**") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

**2.3 Unauthorized Persons and Purposes.** As used in this Section 2, an "**unauthorized person**" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "**unauthorized purpose**" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

**2.4 Consultation.** If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

### **3. Disclosure and Assignment to Company of Work Product.**

#### **3.1 Definition of Work Product and Employee Inventions.**

"**Work Product**" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to California Labor Code § 2870, "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii) does not result

from any work performed by me for the Company. These inventions are referred to as "Employee Inventions."

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("*IP Rights*") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

I understand that my confidentiality and assignment obligations under this Agreement do not apply to any developments, discoveries, improvements, inventions, trade secrets, or technical or journal writings or other works of authorship which I have made or conceived or first reduced to practice alone or jointly with others prior to my engagement by the Company that I have listed in Exhibit A (collectively "*Pre-Employment Inventions*"). I represent that such list is a complete list of my Pre-Employment Inventions that I desire to have specifically excluded from my obligations of confidentiality, disclosure and assignment of IP Rights under this Agreement. If no such list is attached to this Agreement, I represent that I have made no such Pre-Employment Inventions as of the effective date of this Agreement.

If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

4. **No Conflicting Obligations.**

4.1 **No Conflict of Interest.** During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

4.2 **No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

5. **Non-Solicitation.**

5.1 **Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

6. **Return of Materials.** The Confidential Information, the records described in Section 3.3 above and any and all other files, data, documents, equipment, and other information and physical property furnished to me by the Company, or produced by myself or others in connection with my employment, shall be and remain the sole property of the Company. I will return promptly to the Company all such property as and when requested by the Company, or should the Company not so request, upon termination of my employment for any reason. I will not take with me any such property or any copy of such property upon such termination. I also agree that any property situated on the Company's premises, including computers, computer files, e-mail, voicemail, disks and other electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

7. **Notification of New Employer.** If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

8. **Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated \_\_\_\_\_ (the



"Offer Letter"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. Miscellaneous Clauses. This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of California for contracts entered into in California between California residents.

10. Exhibits. The following Exhibits are made a part of and incorporated by reference in this Agreement:

Exhibit A: List of Pre-Employment Inventions  
Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

**INSTRUCTIONS TO EMPLOYEE:** You should sign below as well as each of Exhibit A and Exhibit B. If Exhibit A is not filled out or signed or if it is crossed out, then you represent that you have no Pre-Employment Inventions, as set forth in Section 3 of the Agreement. If Exhibit B is not signed, then you will be deemed to have accepted Exhibit B unless you cross it out.

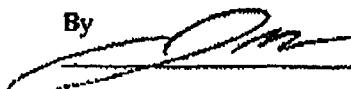
Dated: October 23, 2003

EMPLOYEE

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By



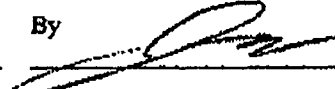
Name: Jonathan A. Sachs

Title

Social Security No. 559-47-0231

Address: 3122 Dog River Road  
Theodore AL 36582

By



Name: Jonathan A. Sachs

**EXHIBIT A****LIST OF PRE-EMPLOYMENT INVENTIONS**

This List of Pre-Employment Inventions, along with any attached pages, is part of and incorporated by reference into the attached Employment and Intellectual Property Agreement.

**INSTRUCTIONS TO EMPLOYEE:** Please identify in the DOCUMENT CHART below preexisting documents which describe, and upon which you will rely to establish your ownership of, your Pre-Employment Inventions. Please do not disclose to Company your Pre-Employment Inventions in detail unless the Company expressly requests that you do.

In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are not to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1				
2				
3				
4				
5				

Signed:   
(Employee's Full Name)

Date: October 23, 2003

**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

Steridian Corporation and its affiliates (collectively, the "*Company*") are engaged in a continuous effort of technical innovation, product development and marketing, and administration of the Company's business. The success of these efforts depends on the Company's ability to draw upon the creative talents of its employees and to maintain the flow of information among its employees. For this reason, all employees of the Company are requested to sign this Employment and Intellectual Property Agreement (this "*Agreement*") under which:

- A. The Company's policy of "at will" employment is confirmed;
- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

**1. Scope of Employment.**

**1.1 Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

**1.2 Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.

## 2. Protection of Confidential Information.

2.1 Confidentiality Obligations. During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("*Confidential Information*") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

2.2 Examples of Confidential Information. Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

2.3 Unauthorized Persons and Purposes. As used in this Section 2, an "*unauthorized person*" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "*unauthorized purpose*" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

2.4 Consultation. If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

## 3. Disclosure and Assignment to Company of Work Product.

### 3.1 Definition of Work Product and Employee Inventions.

"*Work Product*" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to Washington Revenue Code § 49.44.140(3), "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii)

does not result from any work performed by me for the Company. These inventions are referred to as "*Employee Inventions*."

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("*IP Rights*") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

I understand that my confidentiality and assignment obligations under this Agreement do not apply to any developments, discoveries, improvements, inventions, trade secrets, or technical or journal writings or other works of authorship which I have made or conceived or first reduced to practice alone or jointly with others prior to my engagement by the Company that I have listed in Exhibit A (collectively "*Pre-Employment Inventions*"). I represent that such list is a complete list of my Pre-Employment Inventions that I desire to have specifically excluded from my obligations of confidentiality, disclosure and assignment of IP Rights under this Agreement. If no such list is attached to this Agreement, I represent that I have made no such Pre-Employment Inventions as of the effective date of this Agreement.

If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

#### 4. No Conflicting Obligations.

4.1 No Conflict of Interest. During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

4.2 No Breach of Other Obligations. I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

#### 5. Non-Solicitation.

5.1 Company Employees. I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

5.2 Option to Retain as Consultant. Upon termination of my employment with the Company for any reason, Company will have the first right, but not the obligation, to retain me as a consultant for a period of no less than [6] months after the date of termination of my employment. Company may exercise this right by providing written notice to me within [3] business days after such date. The terms of such consulting arrangement will be mutually agreed and set forth in a separate agreement between Company and me.

6. Return of Materials. The Confidential Information, the records described in Section 3.3 above and any and all other files, data, documents, equipment, and other information and physical property furnished to me by the Company, or produced by myself or others in connection with my employment, shall be and remain the sole property of the Company. I will return promptly to the Company all such property as and when requested by the Company, or should the Company not so request, upon termination of my employment for any reason. I will not take with me any such property or any copy of such property upon such termination. I also agree that any property situated on the Company's premises, including computers, computer files, e-mail, voicemail, disks and other electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

7. Notification of New Employer. If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

8. **Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated 12/1/03 (the "Offer Letter"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. **Miscellaneous Clauses.** This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of Washington for contracts entered into in Washington between Washington residents.

10. **Exhibits.** The following Exhibits are made a part of and incorporated by reference in this Agreement:

Exhibit A: List of Pre-Employment Inventions  
Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

**INSTRUCTIONS TO EMPLOYEE:** You should sign below as well as each of Exhibit A and Exhibit B. If Exhibit A is not filled out or signed or if it is crossed out, then you represent that you have no Pre-Employment Inventions, as set forth in Section 3 of the Agreement. If Exhibit B is not signed, then you will be deemed to have accepted Exhibit B unless you cross it out.

Dated: 12/1, 2003

EMPLOYEE

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By [Signature]

By [Signature]

Name Howard V Goetz

Name STEVEN R. HIN

Social Security

No. 634-54-0520

Address 11195 SW 114th

Tigard, OR





**EXHIBIT A**

**1.1.1.1      LIST OF PRE-EMPLOYMENT INVENTIONS**

This List of Pre-Employment Inventions, along with any attached pages, is part of and incorporated by reference into the attached Employment and Intellectual Property Agreement.

**INSTRUCTIONS TO EMPLOYEE:** Please identify in the DOCUMENT CHART below preexisting documents which describe, and upon which you will rely to establish your ownership of, your Pre-Employment Inventions. Please do **not** disclose to Company your Pre-Employment Inventions in detail unless the Company expressly requests that you do.

In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are **not** to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1				
2				
3				
4				
5				

Signed:   
(Employee's Full Name)

Date: 12/1/03

**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

Steridian Corporation and its affiliates (collectively, the "**Company**") are engaged in a continuous effort of technical innovation, product development and marketing, and administration of the Company's business. The success of these efforts depends on the Company's ability to draw upon the creative talents of its employees and to maintain the flow of information among its employees. For this reason, all employees of the Company are requested to sign this Employment and Intellectual Property Agreement (this "**Agreement**") under which:

- A. The Company's policy of "at will" employment is confirmed;
- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

1. **Scope of Employment.**

1.1 **Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

1.2 **Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.

2. **Protection of Confidential Information.**

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("**Confidential Information**") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

**2.3 Unauthorized Persons and Purposes.** As used in this Section 2, an "**unauthorized person**" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "**unauthorized purpose**" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

**2.4 Consultation.** If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

### **3. Disclosure and Assignment to Company of Work Product.**

#### **3.1 Definition of Work Product and Employee Inventions.**

"**Work Product**" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to California Labor Code § 2870, "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii) does not result

from any work performed by me for the Company. These inventions are referred to as "**Employee Inventions.**"

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("**IP Rights**") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

I understand that my confidentiality and assignment obligations under this Agreement do not apply to any developments, discoveries, improvements, inventions, trade secrets, or technical or journal writings or other works of authorship which I have made or conceived or first reduced to practice alone or jointly with others prior to my engagement by the Company that I have listed in Exhibit A (collectively "**Pre-Employment Inventions**"). I represent that such list is a complete list of my Pre-Employment Inventions that I desire to have specifically excluded from my obligations of confidentiality, disclosure and assignment of IP Rights under this Agreement. If no such list is attached to this Agreement, I represent that I have made no such Pre-Employment Inventions as of the effective date of this Agreement.

If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

4. **No Conflicting Obligations.**

4.1 **No Conflict of Interest.** During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

4.2 **No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

5. **Non-Solicitation.**

5.1 **Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

6. **Return of Materials.** The Confidential Information, the records described in Section 3.3 above and any and all other files, data, documents, equipment, and other information and physical property furnished to me by the Company, or produced by myself or others in connection with my employment, shall be and remain the sole property of the Company. I will return promptly to the Company all such property as and when requested by the Company, or should the Company not so request, upon termination of my employment for any reason. I will not take with me any such property or any copy of such property upon such termination. I also agree that any property situated on the Company's premises, including computers, computer files, e-mail, voicemail, disks and other electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

7. **Notification of New Employer.** If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

8. **Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated 12/1/03 (the

"Offer Letter"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. **Miscellaneous Clauses.** This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of California for contracts entered into in California between California residents.

10. **Exhibits.** The following Exhibits are made a part of and incorporated by reference in this Agreement:

Exhibit A: List of Pre-Employment Inventions  
Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

**INSTRUCTIONS TO EMPLOYEE:** You should sign below as well as each of Exhibit A and Exhibit B. If Exhibit A is not filled out or signed or if it is crossed out, then you represent that you have no Pre-Employment Inventions, as set forth in Section 3 of the Agreement. If Exhibit B is not signed, then you will be deemed to have accepted Exhibit B unless you cross it out.

Dated: Dec 12, 2003

EMPLOYEE

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By [Signature]

By [Signature]

Name David Keith

Name 12/12/03

Title Principal Physicist

Social Security  
No. 544-62-5742

Address 8618 SE Petticoat Hill  
Vancouver WA 98664

## EXHIBIT A

### 1.1.1.1 LIST OF PRE-EMPLOYMENT INVENTIONS

This List of Pre-Employment Inventions, along with any attached pages, is part of and incorporated by reference into the attached Employment and Intellectual Property Agreement.

**INSTRUCTIONS TO EMPLOYEE:** Please identify in the DOCUMENT CHART below preexisting documents which describe, and upon which you will rely to establish your ownership of, your Pre-Employment Inventions. Please do not disclose to Company your Pre-Employment Inventions in detail unless the Company expressly requests that you do.

In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are not to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1				
2				
3				
4				
5				

Signed: \_\_\_\_\_  
(Employee's Full Name)

Date: \_\_\_\_\_

**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

Steridian Corporation and its affiliates (collectively, the "*Company*") are engaged in a continuous effort of technical innovation, product development and marketing, and administration of the Company's business. The success of these efforts depends on the Company's ability to draw upon the creative talents of its employees and to maintain the flow of information among its employees. For this reason, all employees of the Company are requested to sign this Employment and Intellectual Property Agreement (this "*Agreement*") under which:

- A. The Company's policy of "at will" employment is confirmed;
- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

**1. Scope of Employment.**

**1.1 Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

**1.2 Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.



## **2. Protection of Confidential Information.**

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("**Confidential Information**") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

**2.3 Unauthorized Persons and Purposes.** As used in this Section 2, an "**unauthorized person**" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "**unauthorized purpose**" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

**2.4 Consultation.** If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

## **3. Disclosure and Assignment to Company of Work Product.**

### **3.1 Definition of Work Product and Employee Inventions.**

"**Work Product**" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to Washington Revenue Code § 49.44.140(3), "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii)

does not result from any work performed by me for the Company. These inventions are referred to as "*Employee Inventions*."

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("*IP Rights*") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

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If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

4. **No Conflicting Obligations.**

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4.2 **No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

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5.1 **Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

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Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

**INSTRUCTIONS TO EMPLOYEE:** You should sign below as well as each of Exhibit A and Exhibit B. If Exhibit A is not filled out or signed or if it is crossed out, then you represent that you have no Pre-Employment Inventions, as set forth in Section 3 of the Agreement. If Exhibit B is not signed, then you will be deemed to have accepted Exhibit B unless you cross it out.

Dated: 03-03, 2005

EMPLOYEE

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By Lin LI

By Cin D. Selman

Name LIN LI

Name CFU

Social Security No. 531-41-0815

Address 2404 SE 161st Ct. Apt. G52, Vancouver, WA 98683



**EXHIBIT A**

**1.1.1.1      LIST OF PRE-EMPLOYMENT INVENTIONS**

This List of Pre-Employment Inventions, along with any attached pages, is part of and incorporated by reference into the attached Employment and Intellectual Property Agreement.

**INSTRUCTIONS TO EMPLOYEE:** Please identify in the DOCUMENT CHART below preexisting documents which describe, and upon which you will rely to establish your ownership of, your Pre-Employment Inventions. Please do not disclose to Company your Pre-Employment Inventions in detail unless the Company expressly requests that you do.

In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are not to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1	optical system for UV write path	June 14 2004		9
2	optical for UV write path	04/18/05		16
3	optics in UV write path	10-11-04		8
4				
5				

Signed: Li-hua Date: 03-04-05  
(Employee's Full Name)

**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

Steridian Corporation and its affiliates (collectively, the "**Company**") are engaged in a continuous effort of technical innovation, product development and marketing, and administration of the Company's business. The success of these efforts depends on the Company's ability to draw upon the creative talents of its employees and to maintain the flow of information among its employees. For this reason, all employees of the Company are requested to sign this Employment and Intellectual Property Agreement (this "**Agreement**") under which:

- A. The Company's policy of "at will" employment is confirmed;
- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

**1. Scope of Employment.**

**1.1 Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

**1.2 Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.

## **2. Protection of Confidential Information.**

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("**Confidential Information**") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

**2.3 Unauthorized Persons and Purposes.** As used in this Section 2, an "**unauthorized person**" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "**unauthorized purpose**" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

**2.4 Consultation.** If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

## **3. Disclosure and Assignment to Company of Work Product.**

### **3.1 Definition of Work Product and Employee Inventions.**

"**Work Product**" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to Washington Revenue Code § 49.44.140(3), "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii)



does not result from any work performed by me for the Company. These inventions are referred to as "***Employee Inventions***."

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("***IP Rights***") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

I understand that my confidentiality and assignment obligations under this Agreement do not apply to any developments, discoveries, improvements, inventions, trade secrets, or technical or journal writings or other works of authorship which I have made or conceived or first reduced to practice alone or jointly with others prior to my engagement by the Company that I have listed in Exhibit A (collectively "***Pre-Employment Inventions***"). I represent that such list is a complete list of my Pre-Employment Inventions that I desire to have specifically excluded from my obligations of confidentiality, disclosure and assignment of IP Rights under this Agreement. If no such list is attached to this Agreement, I represent that I have made no such Pre-Employment Inventions as of the effective date of this Agreement.

If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

#### **4. No Conflicting Obligations.**

4.1 **No Conflict of Interest.** During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

4.2 **No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

#### **5. Non-Solicitation.**

5.1 **Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

5.2 **Option to Retain as Consultant.** Upon termination of my employment with the Company for any reason, Company will have the first right, but not the obligation, to retain me as a consultant for a period of no less than [6] months after the date of termination of my employment. Company may exercise this right by providing written notice to me within [3] business days after such date. The terms of such consulting arrangement will be mutually agreed and set forth in a separate agreement between Company and me.

6. **Return of Materials.** The Confidential Information, the records described in Section 3.3 above and any and all other files, data, documents, equipment, and other information and physical property furnished to me by the Company, or produced by myself or others in connection with my employment, shall be and remain the sole property of the Company. I will return promptly to the Company all such property as and when requested by the Company, or should the Company not so request, upon termination of my employment for any reason. I will not take with me any such property or any copy of such property upon such termination. I also agree that any property situated on the Company's premises, including computers, computer files, e-mail, voicemail, disks and other electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

7. **Notification of New Employer.** If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

8. **Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated 12/01/02 (the "Offer Letter"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. **Miscellaneous Clauses.** This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of Washington for contracts entered into in Washington between Washington residents.

10. **Exhibits.** The following Exhibits are made a part of and incorporated by reference in this Agreement:

Exhibit A: List of Pre-Employment Inventions  
Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

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Dated: 12/01, 2003

EMPLOYEE

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By 

By 

Name Steven Linn  
Social Security  
No. 514 58 1660

Name STEVEN R. HIX

Address 7545 SW River Rd  
Hillsboro, Oregon 97123

**EXHIBIT A**

**1.1.1.1      LIST OF PRE-EMPLOYMENT INVENTIONS**

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In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are **not** to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1				
2				
3				
4				
5				

Signed:   
(Employee's Full Name)

Date: 12 / 1 / 03

Steven Tarifanov

**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

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- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
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2. Protection of Confidential Information.

AV

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("*Confidential Information*") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

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However, pursuant to California Labor Code § 2870, "*Work Product*" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii) does not result

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from any work performed by me for the Company. These inventions are referred to as "Employee Inventions."

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("IP Rights") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

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If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

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of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

**4. No Conflicting Obligations.**

**4.1 No Conflict of Interest.** During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

**4.2 No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

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**5.1 Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

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**7. Notification of New Employer.** If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

**8. Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated 02/02/01 (the



"Offer Letter"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. **Miscellaneous Clauses.** This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of California for contracts entered into in California between California residents.

10. **Exhibits.** The following Exhibits are made a part of and incorporated by reference in this Agreement:

Exhibit A: List of Pre-Employment Inventions  
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I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

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Dated: 02/02, 2004

EMPLOYEE

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By

Name

Patent

Title

DR

Social Security

No.

396-13-1883

Address

27948 Ridgeway Cr  
RPV, CA 90245

By

Name

Steven H Linn

**EXHIBIT A**

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No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1				
2				
3				
4				
5				

Signed: P. Arlen  
(Employee's Full Name)

Date: 02/02/04

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**EMPLOYMENT AND**  
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- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

**1. Scope of Employment.**

**1.1 Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

**1.2 Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.

**2. Protection of Confidential Information.**

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("**Confidential Information**") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

**2.3 Unauthorized Persons and Purposes.** As used in this Section 2, an "**unauthorized person**" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "**unauthorized purpose**" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

**2.4 Consultation.** If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

### **3. Disclosure and Assignment to Company of Work Product.**

#### **3.1 Definition of Work Product and Employee Inventions.**

"**Work Product**" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to California Labor Code § 2870, "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii) does not result

from any work performed by me for the Company. These inventions are referred to as "**Employee Inventions.**"

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product; and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("**IP Rights**") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

I understand that my confidentiality and assignment obligations under this Agreement do not apply to any developments, discoveries, improvements, inventions, trade secrets, or technical or journal writings or other works of authorship which I have made or conceived or first reduced to practice alone or jointly with others prior to my engagement by the Company that I have listed in Exhibit A (collectively "**Pre-Employment Inventions**"). I represent that such list is a complete list of my Pre-Employment Inventions that I desire to have specifically excluded from my obligations of confidentiality, disclosure and assignment of IP Rights under this Agreement. If no such list is attached to this Agreement, I represent that I have made no such Pre-Employment Inventions as of the effective date of this Agreement.

If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

4. **No Conflicting Obligations.**

4.1 **No Conflict of Interest.** During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

4.2 **No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

5. **Non-Solicitation.**

5.1 **Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

6. **Return of Materials.** The Confidential Information, the records described in Section 3.3 above and any and all other files, data, documents, equipment, and other information and physical property furnished to me by the Company, or produced by myself or others in connection with my employment, shall be and remain the sole property of the Company. I will return promptly to the Company all such property as and when requested by the Company, or should the Company not so request, upon termination of my employment for any reason. I will not take with me any such property or any copy of such property upon such termination. I also agree that any property situated on the Company's premises, including computers, computer files, e-mail, voicemail, disks and other electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

7. **Notification of New Employer.** If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

8. **Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated 2/14/2004 (the

"Offer Letter"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. **Miscellaneous Clauses.** This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of California for contracts entered into in California between California residents.

10. **Exhibits.** The following Exhibits are made a part of and incorporated by reference in this Agreement:

Exhibit A: List of Pre-Employment Inventions  
Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

**INSTRUCTIONS TO EMPLOYEE:** You should sign below as well as each of Exhibit A and Exhibit B. If Exhibit A is not filled out or signed or if it is crossed out, then you represent that you have no Pre-Employment Inventions, as set forth in Section 3 of the Agreement. If Exhibit B is not signed, then you will be deemed to have accepted Exhibit B unless you cross it out.

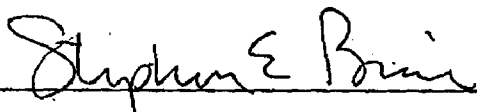
Dated: 2/14, 2004

EMPLOYEE

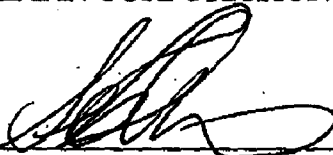
ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By



By



Name STEPHEN E. BRICE

Name Steven H Linn

Title PRINCIPAL MECHANICAL Engineer

Social Security

No. 265-82-7113

Address 10730 NW JERICHO CT.  
PORTLAND, OR 97229

**EXHIBIT A**

**1.1.1.1 LIST OF PRE-EMPLOYMENT INVENTIONS**

This List of Pre-Employment Inventions, along with any attached pages, is part of and incorporated by reference into the attached Employment and Intellectual Property Agreement.

**INSTRUCTIONS TO EMPLOYEE:** Please identify in the DOCUMENT CHART below preexisting documents which describe, and upon which you will rely to establish your ownership of, your Pre-Employment Inventions. Please do **not** disclose to Company your Pre-Employment Inventions in detail unless the Company expressly requests that you do.

In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are **not** to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1				
2				
3				
4				
5				

Signed: Stephen E. Rie  
(Employee's Full Name)

Date: 2/14/2004



**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

Steridian Corporation and its affiliates (collectively, the "*Company*") are engaged in a continuous effort of technical innovation, product development and marketing, and administration of the Company's business. The success of these efforts depends on the Company's ability to draw upon the creative talents of its employees and to maintain the flow of information among its employees. For this reason, all employees of the Company are requested to sign this Employment and Intellectual Property Agreement (this "*Agreement*") under which:

- A. The Company's policy of "at will" employment is confirmed;
- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

**1. Scope of Employment.**

**1.1 Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

**1.2 Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.

## **2. Protection of Confidential Information.**

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("**Confidential Information**") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

**2.3 Unauthorized Persons and Purposes.** As used in this Section 2, an "**unauthorized person**" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "**unauthorized purpose**" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

**2.4 Consultation.** If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

## **3. Disclosure and Assignment to Company of Work Product.**

### **3.1 Definition of Work Product and Employee Inventions.**

"**Work Product**" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to Washington Revenue Code § 49.44.140(3), "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii)

does not result from any work performed by me for the Company. These inventions are referred to as "*Employee Inventions*."

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("*IP Rights*") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product. However, such Work Product shall not include intellectual property embodied in Active Addressing technology "AA" or Multi-Line-Addressing technology "MLA", which are display driving techniques for RMS-responding passive matrix displays where multiple display rows are simultaneously selected.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

I understand that my confidentiality and assignment obligations under this Agreement do not apply to any developments, discoveries, improvements, inventions, trade secrets, or technical or journal writings or other works of authorship which I have made or conceived or first reduced to practice alone or jointly with others prior to my engagement by the Company that I have listed in *Exhibit A* (collectively "*Pre-Employment Inventions*"). I represent that such list is a complete list of my Pre-Employment Inventions that I desire to have specifically excluded from my obligations of confidentiality, disclosure and assignment of IP Rights under this Agreement. If no such list is attached to this Agreement, I represent that I have made no such Pre-Employment Inventions as of the effective date of this Agreement.

If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

**4. No Conflicting Obligations.**

**4.1 No Conflict of Interest.** During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

**4.2 No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

**5. Non-Solicitation.**

**5.1 Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

**5.2 Option to Retain as Consultant.** Upon termination of my employment with the Company for any reason, Company will have the first right, but not the obligation, to retain me as a consultant for a period of no less than [6] months after the date of termination of my employment. Company may exercise this right by providing written notice to me within [3] business days after such date. The terms of such consulting arrangement will be mutually agreed and set forth in a separate agreement between Company and me.

**6. Return of Materials.** The Confidential Information, the records described in Section 3.3 above and any and all other files, data, documents, equipment, and other information and physical property furnished to me by the Company, or produced by myself or others in connection with my employment, shall be and remain the sole property of the Company. I will return promptly to the Company all such property as and when requested by the Company, or should the Company not so request, upon termination of my employment for any reason. I will not take with me any such property or any copy of such property upon such termination. I also agree that any property situated on the Company's premises, including computers, computer files,

e-mail, voicemail, disks and other electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

7. **Notification of New Employer.** If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

8. **Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated 3/24/2004 (the "Offer Letter"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. **Miscellaneous Clauses.** This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of Washington for contracts entered into in Washington between Washington residents.

10. **Exhibits.** The following Exhibits are made a part of and incorporated by reference in this Agreement:

Exhibit A: List of Pre-Employment Inventions  
Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

**INSTRUCTIONS TO EMPLOYEE:** You should sign below as well as each of Exhibit A and Exhibit B. If Exhibit A is not filled out or signed or if it is crossed out, then you represent that you have no Pre-Employment Inventions, as set forth in Section 3 of the Agreement. If Exhibit B is not signed, then you will be deemed to have accepted Exhibit B unless you cross it out.

Dated: 3/24, 2004

EMPLOYEE

By 

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By  3/25/04

Name TERRY J. SCHEFFERName Steven H. LinnTitle CHIEF SCIENTIST

Social Security

No. 567-56-0543Address 189 PAUKAA DRIVEHILLO, HI 96720

**EXHIBIT A**

**1.1.1.1 LIST OF PRE-EMPLOYMENT INVENTIONS**

This List of Pre-Employment Inventions, along with any attached pages, is part of and incorporated by reference into the attached Employment and Intellectual Property Agreement.

**INSTRUCTIONS TO EMPLOYEE:** Please identify in the DOCUMENT CHART below preexisting documents which describe, and upon which you will rely to establish your ownership of, your Pre-Employment Inventions. Please do not disclose to Company your Pre-Employment Inventions in detail unless the Company expressly requests that you do.

In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are not to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1				
2				
3				
4				
5				

Signed: \_\_\_\_\_

(Employee's Full Name)

Date: 3/24/2004

Xue

**STERIDIAN CORPORATION**  
**EMPLOYMENT AND**  
**INTELLECTUAL PROPERTY AGREEMENT**

Steridian Corporation and its affiliates (collectively, the "**Company**") are engaged in a continuous effort of technical innovation, product development and marketing, and administration of the Company's business. The success of these efforts depends on the Company's ability to draw upon the creative talents of its employees and to maintain the flow of information among its employees. For this reason, all employees of the Company are requested to sign this Employment and Intellectual Property Agreement (this "**Agreement**") under which:

- A. The Company's policy of "at will" employment is confirmed;
- B. The employee agrees to protect against unauthorized disclosure of confidential information of the Company or other persons and to return to the Company such information when employee's employment with the Company terminates;
- C. The employee agrees to disclose, and agrees that the Company will exclusively own, ideas, works and inventions which relate to the Company business;
- D. The employee agrees to avoid conflicting outside activities while employed by the Company;
- E. The employee agrees that the employee will not solicit other Company employees for one year; and
- F. The Company and employee agree on the manner in which disputes will be resolved.

In part consideration for the compensation received by me for employment with the Company, and effective as of the date that my employment commences, I agree as follows:

**1. Scope of Employment.**

**1.1 Term of Employment.** I understand that my employment is "at will" and that I or the Company may terminate my employment at any time, for any reason, with or without cause and with or without notice, but my obligations under this Agreement shall survive such termination. This policy of "at will" employment may be changed only in writing signed by the President or Chief Executive Officer of the Company. This Agreement will not be altered or terminated by changes in duties, compensation or other circumstances of my employment.

**1.2 Duties.** The Company will assign my duties and may change my assignment as needed by Company from time to time. I will exercise my specialized expertise, independent judgment and discretion to provide high-quality services. I will follow office policies and procedures, and will comply with the directions my superiors at the Company may give me from time to time. The Company may change its policies and procedures at any time.



## **2. Protection of Confidential Information.**

**2.1 Confidentiality Obligations.** During and after the term of my employment, I will regard and preserve as confidential, and will not divulge to unauthorized persons, or use for any unauthorized purposes, nor will I authorize or encourage any other person to divulge or use for any unauthorized purposes, any information, matter or thing of secret, confidential or private nature connected with the products, services, research, development or business of the Company ("**Confidential Information**") without the written consent of an officer of the Company. However, once particular Confidential Information becomes public knowledge, except through my own fault, that Information is no longer subject to these obligations.

**2.2 Examples of Confidential Information.** Confidential Information includes, by way of example but not of limitation, such items as know-how, formulae, computer programs, software, designs, schematics, pricing or cost information, telephone lists, salary and compensation information, inventions, research projects, plan for future development and any other information of a similar nature. Confidential Information also includes the Work Product (as defined in Section 3.1 below), as well as confidential or proprietary information of a third party to which Company owes a duty of confidentiality or non-use. I also acknowledge that, although certain information or technology may be generally known in the relevant industry, the fact that Company uses it, and how Company uses it, may not be known, and is therefore Confidential Information.

**2.3 Unauthorized Persons and Purposes.** As used in this Section 2, an "**unauthorized person**" means any person who (i) does not have a need to know the information to further a Company-authorized purpose, or (ii) who has such a need but is not obligated to maintain such information in confidence and to use such information only for a Company-authorized purpose. An "**unauthorized purpose**" means a purpose that does not further the interests of the Company or that is not otherwise approved in writing by an officer of the Company.

**2.4 Consultation.** If I am in doubt as to whether certain information is Confidential Information, or whether Confidential Information has become public knowledge, I agree to consult with the management of the Company.

## **3. Disclosure and Assignment to Company of Work Product.**

### **3.1 Definition of Work Product and Employee Inventions.**

"**Work Product**" means any and all ideas, inventions, improvements, discoveries, know-how, techniques and works of authorship (including but not limited to computer programs, software, logic design and documentation) and other information and materials, whether or not patentable, copyrightable or otherwise registrable under applicable statutes, that I may make, conceive, reduce to practice, develop, learn or work on, either alone or jointly with others, whether or not reduced to drawings, written description, documentation, models or other tangible form during the period of my employment by the Company.

However, pursuant to Washington Revenue Code § 49.44.140(3), "Work Product" does not include any invention that I developed entirely on my own time and for which no equipment, supplies, facilities or trade secret information of the Company was used, and which (i) is not related to or useful in the business of the Company or to the Company's actual or demonstrably anticipated research, design, development, experimental production, financing, manufacturing, licensing, distribution or marketing activity carried on by the Company, or (ii)

does not result from any work performed by me for the Company. These inventions are referred to as "***Employee Inventions***."

**3.2 Company owns Work Product.** I agree that the Company and its assigns will be the exclusive owner of the Work Product, and all patents, trademarks, copyrights, moral rights and other statutory or common law protections in any and all countries ("***IP Rights***") for the Work Product. Without further compensation or consideration, and to the extent Company does not otherwise obtain exclusive ownership of these IP Rights by operation of law, I agree to, and do hereby, assign to the Company any and all IP Rights in the Work Product.

**3.3 Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Work Product made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, computer files, engineering log books, inventor notebooks, prototypes, samples, or any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

**3.4 Disclosure of Work Product.** I will promptly disclose to the Company, or any persons designated by it, the Work Product during the term of my employment and upon termination of my employment for any reason. I agree that if I am in doubt as to whether any given invention is Work Product or an Employee Invention, I will refer such questions to the management of the Company. In addition, I agree, if requested by the Company, to disclose in confidence to the Company, my inventions that I consider to be Employee Inventions in order for the Company to confirm this classification.

**3.5 Protection of Rights in Work Product.** I will assist the Company in every proper way (such as by signing documents and giving evidence and testimony), at the Company's expense, to perfect Company's ownership of all IP Rights in the Work Product, and otherwise to obtain for Company (or its nominees) full rights and advantages of the Work Product, in any and all countries. If I am unavailable for any reason, I hereby appoint the Company and its officers and agents, as my agents and attorneys-in-fact, to act on my behalf and instead of me, to execute and file any such document(s) and to do all other lawfully permitted acts to further the prosecution, issuance, enforcement and maintenance of IP Rights in the Work Product.

**3.6 List of Pre-Employment Inventions; Certain Rights of Company.**

I understand that my confidentiality and assignment obligations under this Agreement do not apply to any developments, discoveries, improvements, inventions, trade secrets, or technical or journal writings or other works of authorship which I have made or conceived or first reduced to practice alone or jointly with others prior to my engagement by the Company that I have listed in Exhibit A (collectively "***Pre-Employment Inventions***"). I represent that such list is a complete list of my Pre-Employment Inventions that I desire to have specifically excluded from my obligations of confidentiality, disclosure and assignment of IP Rights under this Agreement. If no such list is attached to this Agreement, I represent that I have made no such Pre-Employment Inventions as of the effective date of this Agreement.

If I incorporate into Company technology, or otherwise use in the scope of my employment, any Pre-Employment Invention or Employee Invention, Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide, transferable and sublicensable license to make, have made, modify, create derivative works, reproduce, use, offer to sell, sell, import and distribute such Pre-Employment Invention or Employee Invention as part

of or in connection with such technology or the material with which I used such invention in performing my duties as an employee of the Company. I acknowledge and agree that the Company and its subsidiaries or affiliates are free to compete and develop information, inventions and products within the areas and type of the Pre-Employment Inventions and the Employee Inventions.

#### 4. **No Conflicting Obligations.**

4.1 **No Conflict of Interest.** During my employment with the Company, I will inform the Company before accepting any employment, consulting or other relationship with another person or entity (i) in any field related to the Company's business, or (ii) in a position that requires a significant time commitment. Company's failure to object to any particular outside activity does not in any way reduce my obligations under this Agreement.

4.2 **No Breach of Other Obligations.** I represent that my performance of all the terms of this Agreement and that my employment by the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. In particular, I will not disclose to Company, or induce Company to use, any confidential information or material in violation of the rights of my former employer or any third party. I represent and warrant that I have returned all property and confidential information belonging to all prior employers. I have not entered into, and I agree I will not enter into, any agreement (either written or oral) in conflict with this Agreement.

#### 5. **Non-Solicitation.**

5.1 **Company Employees.** I agree that, during the period of my employment and for a period of one year following termination of my employment with the Company for any reason, I will not directly or indirectly solicit or in any manner encourage employees or consultants of the Company to end their relationships with the Company.

5.2 **Option to Retain as Consultant.** Upon termination of my employment with the Company for any reason, Company will have the first right, but not the obligation, to retain me as a consultant for a period of no less than [6] months after the date of termination of my employment. Company may exercise this right by providing written notice to me within [3] business days after such date. The terms of such consulting arrangement will be mutually agreed and set forth in a separate agreement between Company and me.

6. **Return of Materials.** The Confidential Information, the records described in Section 3.3 above and any and all other files, data, documents, equipment, and other information and physical property furnished to me by the Company, or produced by myself or others in connection with my employment, shall be and remain the sole property of the Company. I will return promptly to the Company all such property as and when requested by the Company, or should the Company not so request, upon termination of my employment for any reason. I will not take with me any such property or any copy of such property upon such termination. I also agree that any property situated on the Company's premises, including computers, computer files, e-mail, voicemail, disks and other electronic storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

7. **Notification of New Employer.** If I leave the employ of the Company, I consent to the notification of my new employer of my rights and obligations under this Agreement.

8. **Dispute Resolution Procedure.** I agree that any dispute arising out of or related to the employment relationship between me and the Company, including the termination of that relationship, and any allegations of unfair or discriminatory treatment arising under state or federal law or otherwise, shall be resolved in accordance with the dispute resolution procedures set forth in my letter of offer of employment from the Company dated March 18, 2004 (the "**Offer Letter**"). If there is no Offer Letter or if the Offer Letter does not include a dispute resolution procedure, then I agree that all such disputes shall be resolved as set forth in Exhibit B.

9. **Miscellaneous Clauses.** This Agreement, together with the Offer Letter, constitutes the entire agreement, and supersedes all previous or contemporaneous agreements or representations, whether oral or written, express or implied, between the Company and me with regard to its subject matter. These Agreements cannot be modified or waived unless in writing, signed by me and the President of the Company (or his or her designee). If any term or provision of the Agreement is declared invalid, illegal or unenforceable, such term or provision will be amended to achieve as nearly as possible the same effect of protecting Confidential Information as the original term or provision, and all remaining provisions will continue in full force and effect. This Agreement is binding upon my heirs, executors, administrators or other legal representatives and inures to the benefit of successors and assigns of the Company. This Agreement is governed by and construed in accordance with the laws of the State of Washington for contracts entered into in Washington between Washington residents.

10. **Exhibits.** The following Exhibits are made a part of and incorporated by reference in this Agreement:

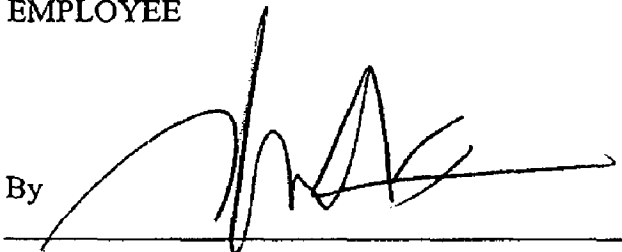
Exhibit A: List of Pre-Employment Inventions  
Exhibit B: Arbitration Agreement

I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

**INSTRUCTIONS TO EMPLOYEE:** You should sign below as well as each of Exhibit A and Exhibit B. If Exhibit A is not filled out or signed or if it is crossed out, then you represent that you have no Pre-Employment Inventions, as set forth in Section 3 of the Agreement. If Exhibit B is not signed, then you will be deemed to have accepted Exhibit B unless you cross it out.

Dated: 4/15/04, 200

EMPLOYEE

By 

Name JiuZhi Xue

Title Individual

Social Security

ACCEPTED AND AGREED TO BY:

STERIDIAN CORPORATION

By 

Name Steven H Lian

No. \_\_\_\_\_

Address \_\_\_\_\_

**EXHIBIT A**

**1.1.1.1      LIST OF PRE-EMPLOYMENT INVENTIONS**

This List of Pre-Employment Inventions, along with any attached pages, is part of and incorporated by reference into the attached Employment and Intellectual Property Agreement.

**INSTRUCTIONS TO EMPLOYEE:** Please identify in the DOCUMENT CHART below preexisting documents which describe, and upon which you will rely to establish your ownership of, your Pre-Employment Inventions. Please do **not** disclose to Company your Pre-Employment Inventions in detail unless the Company expressly requests that you do.

In filling out the DOCUMENT CHART, please note that witnesses are people who have read and understood the referenced document and who therefore can testify to the existence of the inventions, ideas or works of authorship. Also, inventions, ideas, or works of authorship not owned by you (for example because they have been assigned to a prior employer) are **not** to be listed here.

If any documents are identified below, then the Company may request you to provide the documents and other information to determine if any impediments to employment by the Company exist.

**DOCUMENT CHART**

No. Of Document	Title On Document	Date On Document	Names Of Witnesses Signing The Document	No. Of Pages Of The Document
1	Polarizer Free LC electrooptic device	2/4/04	Noel Clark	Power point file
2				
3				
4				
5				

Signed: \_\_\_\_\_

(Employee's Full Name)

Jiuzhi Xue

Date: \_\_\_\_\_

4/15/04

**CONSULTANT AGREEMENT**  
(For Individuals)

This Consultant Agreement ("Agreement") is made and entered into this 6th day of October, 2004 ("Effective Date"), by and between Steridian Corporation, a Delaware corporation having a place of business at 201 NE Park Plaza, #165 Vancouver, WA 98684 ("Steridian"), and James A. Van Vechten (Jim), an individual having an address at 321 NW 31<sup>st</sup> Street, Corvallis, OR 97330 ("Consultant"). The parties hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective on the Effective Date and will continue in effect for a period of one (1) month unless earlier terminated as provided in Section 11.

2. Services.

(a) Consultant agrees to perform the services (the "Services") for Steridian and provide to Steridian the deliverables ("Deliverables") in accordance with the specifications and delivery schedule set forth on Exhibit A attached hereto and incorporated by this reference herein. Consultant shall perform all Services in a professional and timely manner. Time is of the essence in the performance of Consultant's obligations under this Agreement. Consultant, in his or her sole discretion, shall determine the means and manner of performing the Services, and performance of this Agreement by Consultant shall be measured solely by the results achieved.

(b) Unless otherwise specified on Exhibit A, Consultant shall provide the facilities, tools, equipment and materials necessary to perform the Services, at Consultant's expense.

(c) Within ten (10) working days after receipt of the Deliverables, Steridian will accept or reject the deliverables. In the event Steridian rejects the Deliverables, Steridian may at its option require Consultant to modify the Deliverables to render them acceptable to Steridian. Consultant will resubmit the corrected Deliverables to Steridian within ten (10) working days. If Steridian fails to notify Consultant within the specified time, Steridian will be deemed to have accepted the Deliverables.

(d) Approximately once each month, a representative of Steridian and Consultant will meet in person or by telephone, as mutually agreed, for a formal progress presentation, describing in detail the status of work, including schematics, design simulations, layouts (when appropriate), projections for time of completion, steps necessary to return to the schedule in case of any delay, and discussion of possible resolution of any problems which have arisen. Additionally, Consultant will provide Steridian with verbal reports, written reports, or both, regarding the Services and Deliverables as reasonably requested by Steridian.

(e) Consultant will, while working on Steridian's premises, observe Steridian's rules and policies relating to the security of, access to or use of such premises. Consultant may not remove any property of Steridian or a third party from Steridian's premises without the prior written consent of Steridian.

(f) Consultant covenants, represents and warrants that all Work Product (as defined below) provided by Consultant, and all Services performed and Deliverables provided under this Agreement comply, and in all cases will comply, with all applicable laws, regulations and rules.

(g) Consultant represents and warrants that it has no outstanding agreement or obligation that is in conflict with any of the provisions of this Agreement, or that would preclude Consultant from performing his obligations hereunder, and further represents and warrants that he will not enter into any such conflicting agreement during the term of this Agreement.

(h) Consultant represents and warrants that Consultant does not presently perform, nor does Consultant intend to perform, during the term of this Agreement, consulting or other services for any company, person or entity whose business or proposed business in any way involves products or services which could reasonably be determined to be competitive with the products or services or proposed products or services

of Steridian. If, however, Consultant desires to perform such services at any time after the Effective Date and prior to termination of this Agreement, Consultant agrees to notify Steridian in writing in advance (specifying the identity of the entity or the person) and provide information sufficient to allow Steridian to determine if such consulting would conflict with projects or products of Steridian. If Steridian determines that such business is in competition with that conducted by Steridian, Steridian may at its option terminate this Agreement immediately upon written notice to Consultant. In any event, Consultant agrees that any services Consultant performs for any third party are subject to Consultant's compliance with its obligations under this Agreement, including without limitation the provisions relating to confidentiality and IP Rights.

3. Fees; Expenses; Taxes.

(a) Steridian will compensate Consultant as set forth on Exhibit A for Services satisfactorily performed by Consultant under this Agreement. Unless otherwise set forth on Exhibit A, Consultant will invoice Steridian for Services once monthly. Each invoice will describe the Services included in the invoice. Steridian will pay the invoiced amount within 30 days after receipt of the invoice, subject to Consultant's proper performance under, and compliance with, this Agreement. Steridian's payment of any invoice will not constitute acceptance of the corresponding Deliverables or Services, and Steridian may offset against its payments reasonable amounts for failure of Consultant to meet any requirement of this Agreement.

(b) Consultant will be solely responsible for any expenses it incurs in connection with the Services including without limitation travel and telephone charges. Unless specifically set forth in Exhibit A, Steridian will not reimburse Consultant for any expenses. To the extent that expenses are reimbursable pursuant to Exhibit A, as a condition to reimbursement of such expenses, Consultant must submit to Steridian reasonable evidence that the amount involved was expended and related to the Services provided under this Agreement.

(c) The fee(s) payable under this Agreement shall be construed to include local, state and federal sales, use, value-added excise, personal property and all other taxes or duties, and all such taxes and duties shall be assumed and paid for by Consultant. Consultant shall be solely responsible for and shall make proper and timely payment of any taxes, including, but not limited to Consultant's federal, state and local income taxes, FICA, FUTA, unemployment taxes and self-employment taxes. Steridian will be entitled to make deductions from payments to be made to Consultant for such taxes if required by law.

(d) Under no circumstances will the fees payable to Consultant under this Agreement exceed in aggregate a maximum of USD\$5,000.00 (the "Maximum Aggregate Fee"), unless Steridian specifically agrees in writing to increase the maximum amount payable under this Agreement. **STERIDIAN'S MAXIMUM AGGREGATE LIABILITY UNDER THIS AGREEMENT OR RELATED TO THE SUBJECT MATTER HEREOF SHALL BE LIMITED TO THE MAXIMUM AGGREGATE FEE, WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT OR OTHERWISE, AND IRRESPECTIVE OF WHETHER Steridian HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE. IN NO EVENT WILL Steridian BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, EXEMPLARY OR OTHER INDIRECT DAMAGES OF ANY KIND.**

4. Independent Contractor Relationship. Consultant and Steridian agree that no employment relationship is created by this Agreement. Steridian is interested only in the results to be achieved. Consultant is an independent contractor and Consultant will not be considered an agent or common law employee of Steridian for any purpose. Consultant is not entitled to or eligible to receive any benefits that Steridian provides to its common law employees, including but not limited to, health insurance, life insurance, participation in Steridian's stock option plan, or other similar benefits. Consultant will have no authority to enter into contracts that bind Steridian or create obligations on the part of Steridian without the prior written authorization of Steridian. Consultant represents and warrants that Consultant has obtained and, during the term of this Agreement, will maintain its own federal tax ID number and EIN. Within ten (10) days after the Effective Date, Consultant shall provide Steridian with a completed W-9 form. No FICA, FUTA or State unemployment taxes will be payable by Steridian on Consultant's behalf. If a business license is required in Consultant's locality, Consultant shall secure such a license at Consultant's expense, and shall provide Steridian with the date of issuance and license number.



5. Consultant's Insurance Obligations. During the term of this Agreement, Consultant will maintain comprehensive general liability, automotive liability and property damage insurance coverage, worker's compensation insurance, disability coverage and other appropriate coverage, insuring against all liability of Consultant arising out of, or in connection with, Consultant's performance of Services under this Agreement. Such insurance shall have a combined single limit of not less than USD\$2,000,000.
6. Confidential Information.
- (a) "Confidential Information" shall mean (i) information relating to Steridian's existing and future services and/or products, including, without limitation, works of authorship, proprietary technology, techniques, procedures, algorithms, trade secrets, discoveries, ideas, inventions (whether patentable or not), concepts, know-how, designs, schematics, specifications, drawings, diagrams, data, formulae, models, reports, studies, statistics, prototypes, computer programs, patent disclosures, patent applications, development or experimental work, formulae, engineering or test data, product specifications, product development plans, structures, methods and processes disclosed by Steridian to Consultant or obtained or created by Consultant through observation or examination of information or otherwise in connection with the Services; (ii) marketing information (including without limitation marketing strategies, customer lists and requirements and product prices); (iii) future product or service plans; (iv) financial information provided to Consultant by Steridian; (v) personnel information (including without limitation contractor or employee compensation); and (vi) other confidential business information. Confidential Information shall also include descriptions of the existence or progress of the above-described information.
- (b) At all times during this Agreement and at all times thereafter, Consultant will keep in strict confidence and trust all Confidential Information, and Consultant will not use, reproduce or disclose any Confidential Information without the written consent of Steridian, except as may be necessary in the ordinary course of performing Consultant's duties under this Agreement. The foregoing obligations of Consultant shall continue until such time as the Confidential Information is publicly known, without fault on the part of Consultant.
- (c) Consultant recognizes that Steridian has received, and in the future will receive, information from third parties which is confidential and/or proprietary information subject to a duty on Steridian's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees that during the term of this Agreement and thereafter, Consultant owes Steridian and such third parties a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it, except as necessary in carrying out Consultant's work for Steridian and then only as consistent with Steridian's agreement with the applicable third party, and not to use it for the benefit of anyone other than for Steridian or such third party consistent with Steridian's agreement with such third party.
- (d) Consultant further acknowledges and agrees that the names, addresses and product specifications of Steridian's customers constitute Confidential Information and that the sale or unauthorized use or disclosure of this or any other Confidential Information that Consultant obtains during the course of its providing Services for Steridian would constitute unfair competition with Steridian. Consultant promises not to engage in any unfair competition with Steridian either during the term of its providing Services for Steridian or at any time thereafter. Consultant will not during the course of its providing services for Steridian, or for a one-year period thereafter, either directly or indirectly call on, solicit or take away, or attempt to call on, solicit, or take away, any of Steridian's customers with whom Consultant became acquainted during the course of providing services to Steridian.
- (e) Notwithstanding anything herein to the contrary and except as reasonably necessary to comply with any applicable federal and state securities laws, Consultant may disclose to any and all persons, without limitation of any kind, the U.S. federal and state tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Consultant relevant to such U.S. federal or state tax treatment and tax structure ("Tax Information"). For this purpose, "tax structure" is any fact that may be relevant to understanding the U.S. federal or state tax treatment of the transaction.

(f) If Consultant is subject to legal, judicial or governmental proceedings requiring disclosure of Confidential Information, or if Consultant intends to disclose any Tax Information to a third party, then, prior to any such disclosure, Consultant will provide Steridian with reasonable prior notice and an opportunity to assess whether or not the information intended for disclosure is in fact Tax Information, and will obtain, or provide Steridian with an opportunity to obtain, a protective order or confidential treatment of, or a confidentiality agreement with respect to, the Confidential Information or Tax Information.

(g) All Steridian property, including, but not limited to, Confidential Information, reports, documents, data, records, equipment, video tapes, film and other tangible property, whether or not pertaining to Confidential Information, provided to Consultant by Steridian or produced by Consultant or others in connection with Consultant providing Services under this Agreement shall be and remain the sole property of Steridian and shall be returned promptly to Steridian as and when requested by Steridian.

(h) Consultant must not use Steridian's name or logo in any advertising nor as a reference for any promotional purposes without Steridian's prior written consent.

(i) Consultant acknowledges that (i) the restrictions and obligations contained in this Section 6 are reasonable and necessary to protect Steridian's legitimate interests; (ii) in the event of Consultant's violation of these restrictions or breach of these obligations, remedies at law will be inadequate and violation or breach may cause irreparable damages to Steridian within a short period of time; and (iii) Steridian will be entitled to injunctive relief, without posting bond or other security, against Consultant for each and every violation or breach, provided Consultant is given lawful notice of the proceeding and an opportunity to appear. Steridian shall be entitled to recover from Consultant any costs or expenses incurred in obtaining relief against breach of this Agreement by Consultant, including, but not limited to, legal fees and costs. Nothing in this Section shall be construed as prohibiting Steridian from pursuing any other remedies available to it for such breach or threatened breach, including recovery of damages from Consultant.

## 7. Work Product.

(a) "Work Product" means any and all works of authorship, visual works, audio works, audio-visual works, musical and/or other recordings and/or compositions, inventions, processes, discoveries, developments, improvements, trade secrets, know-how, data, designs, trademarks, trade dress, service marks, copyrightable works, formulas, algorithms, prototypes, mask works, methods, plans, reports, specifications, techniques and other intellectual property that constitute, pertain to, or are embodied in information or materials that Consultant provides to Steridian, or that Consultant may solely or jointly make or conceive, develop, reduce to practice or learn during the period of this Agreement which are within the scope of the Services to be provided by Consultant under this Agreement, or that result from tasks assigned Consultant by Steridian (hereinafter "Work Product"). Consultant must promptly disclose and deliver the Work Product to Steridian.

(b) Consultant agrees that all Work Product shall be "work made for hire" and shall be the sole property of Steridian and its assigns, and that Steridian and its assigns shall be the sole owner of all patents, trademarks, copyrights and other intellectual property rights in connection therewith ("IP Rights"). Consultant agrees to waive any and all claims to and rights in, and to assign and transfer, and does hereby expressly and irrevocably waive all claims to and rights in, and to assign and transfer, all rights, title, and interest, worldwide, in and to the Work Product, including without limitation, all IP Rights, moral rights and other proprietary rights embodied in or relating to the Work Product.

(c) Consultant is responsible for obtaining all rights in the Work Product and, unless otherwise specified on Exhibit A, shall pay all fees, including licenses and royalties, or other charges applicable thereto. Consultant further agrees as to all Work Product to assist Steridian in every proper way (but at Steridian's expense) to secure, perfect, register, maintain, defend and enforce IP Rights in the Work Product in any and all countries, and to that end Consultant will execute all documents with respect thereto, as Steridian may desire, together with any assignments thereof to Steridian or persons designated by it. Consultant's obligation to assist Steridian shall continue beyond the termination of this Agreement, but Steridian shall

compensate Consultant at a reasonable rate commensurate with rates paid by others for comparable services after such termination for time actually spent by Consultant at Steridian's request on such assistance. In the event that Steridian is unable for any reason whatsoever to secure Consultant's signature to any lawful and necessary document required to secure, perfect, register, maintain, defend or enforce the IP Rights with respect to Work Product, Consultant hereby irrevocably designates and appoints Steridian and its duly authorized officers and agents, as Consultant's agents and attorneys-in-fact to act for and in Consultant's behalf and instead of Consultant, to execute and file any such document and to do all other lawfully permitted acts to further the prosecution, perfection, registration, maintenance, defense and/or enforcement of the IP Rights thereon with the same legal force and effect as if executed by Consultant.

(d) Steridian acknowledges that the term "Work Product" is not intended to and does not include Background Technology. As used in this Agreement, "Background Technology" means any discovery, invention, improvement, trade secret or work of authorship that Consultant can prove by documentary evidence that all of the following requirements are satisfied:

- (i) the Background Technology was developed entirely on Consultant's own time without using Steridian's equipment, supplies, facilities or trade secret information;
- (ii) at the time of conception or reduction to practice the Background Technology does not relate to Steridian's business, or actual or demonstrably anticipated research or development of Steridian; and
- (iii) the Background Technology does not result from any work performed by Consultant for or on behalf of Steridian.

As a matter of record Consultant has set forth on Exhibit B attached to this Agreement a complete list of all Background Technology which Consultant desires to remove from the operation of this Agreement; and Consultant covenants that such list is complete. If no such list is attached, Consultant represents that Consultant has made no invention, improvement, development, trade secret or work of authorship that is to be removed from the operation of the provisions of this Section 7. Consultant acknowledges and agrees that Steridian and its subsidiaries and affiliates are free to compete or develop Work Product or other products within the areas and types of products described in any such lists.

(e) If any Background Technology is used as part of the Services or embodied or incorporated in any Deliverable or the Work Product, Consultant agrees to grant, and hereby does irrevocably grant, to Steridian a nonexclusive, perpetual, irrevocable, unrestricted, worldwide, fully paid license, with the right to sublicense, to make, have made, sell, offer to sell, import, use, modify, have modified, create derivative works, perform, display, execute, distribute (including through multiple tiers) and reproduce, in whole or in part, such Background Technology. Consultant agrees not to assert any patent or copyright owned or controlled by Consultant against Steridian, its affiliates and its and their direct and indirect channel partners and customers in connection with any of the software or other Deliverables, Work Product or any other subject matter directly or indirectly containing or derived from Services done under or in anticipation of this Agreement.

(f) Consultant must not provide under, or have provided in contemplation of, this Agreement any idea, data, program, technical, business or other intangible information, however conveyed, or any document, print, tape, disc, semiconductor memory or other information-conveying tangible article, unless Consultant has the right to do so, and none of the foregoing will be considered confidential or proprietary.

8. Property of Others. Consultant warrants and represents that Consultant's performance under this Agreement does not and will not breach any obligation to maintain the confidentiality of confidential information or trade secret, if any, acquired by Consultant in confidence or in trust. Consultant has not brought and will not bring to Steridian or use in the performance of Consultant's responsibilities at Steridian any equipment, supplies, facility, confidential information or intellectual property of any third party, including without limitation, current or former clients to which Consultant provided services, unless Consultant has obtained written authorization for their possession and use.

9. Representations and Warranties. Consultant hereby further warrants, represents, covenants and agrees as follows:

(a) Consultant has and will continue to have the full right, power and authority to enter into this Agreement, to perform the terms and conditions of this Agreement, to grant the rights herein granted to Steridian, to make the representations and warranties contained herein, to otherwise perform hereunder, and to vest in Steridian all the rights as provided in this Agreement, free and clear of any and all claims, encumbrances, liens and rights of third parties.

(b) The Work Product does not and will not violate, invade, infringe upon, interfere with, conflict with, or unfairly compete with, the rights (including without limitation all common law or statutory rights) of any other person or entity, and there does not now and will not exist any claim by a third party in or to the Work Product, and no third party has or will have any rights in and to the Work Product.

(c) All necessary licenses and permission for the recording, production, public display, public performance, publication, distribution and use by Steridian and its contractors and customers, if any, of the Work Product have been or will be obtained by Consultant and, except as specified on Exhibit A, all fees, including licenses and royalties, or other charges applicable thereto have been or will be fully paid by Consultant.

10. Indemnity. Consultant shall indemnify and hold Steridian, its affiliates and their respective directors, officers, employees, and agents harmless from and against any and all claims, actions, demands, suits, losses, liabilities, judgments, awards, expenses and costs (including, without limitation, reasonable attorneys' fees and expenses) (each a "Claim") arising out of or related in any way to: (i) an actual or alleged infringement or violation by the Services, Deliverables or Work Product of any third party's IP Right; (ii) any act or omission by Consultant related to performance under this Agreement; (iii) any breach by Consultant of any of its representations and warranties herein; (iv) any actual or alleged violation by Consultant of any law, statute, regulation or ordinance; and (v) any failure or alleged failure by Consultant to pay tax or obtain and maintain insurance as required by this Agreement. Steridian agrees to promptly notify Consultant of any claim covered by the foregoing indemnity obligation (a "Claim"). At Steridian's option, Steridian may permit Consultant to defend, compromise or settle any claim, and in that event, Steridian will provide reasonably available information, assistance and authority at Consultant's expense required by Consultant to perform its obligations under this Section 10, and Steridian may participate in the defense or settlement of any Claim at its own expense. Consultant agrees that Consultant will not settle any Claim in a manner which would impose any obligation on Steridian or restrict Steridian's right, title or interest in the Work Product without Steridian's prior written consent.

11. Termination.

(a) Steridian shall have the right to terminate this Agreement for convenience on fourteen (14) business days' prior written notice to Consultant.

(b) Consultant may terminate this Agreement upon written notice to Steridian if (a) Steridian fails to pay amounts due under this Agreement when due after Steridian receives a proper and complete invoice in accordance with this Agreement, and (b) thereafter Consultant has provided at least thirty (30) days written notice to Steridian of such failure to pay and Consultant's intention to terminate this Agreement.

(c) Should Consultant default in the performance of this Agreement or materially breach any of its terms, Steridian, at its option, may terminate this Agreement immediately upon giving written notice to Consultant. For the purpose of this section, material breach of this Agreement shall include, but not be limited to, failure to complete the Services in a timely fashion, habitual neglect, negligence or willful wrongdoing in the performance of the Consultant's duties, or Consultant's breach of Sections 5, 6, 7, 8, 9, 10 or 11 of this Agreement.

(d) Upon any termination of this Agreement, Consultant must cease performing any and all Services contemplated under this Agreement unless Steridian requests in writing that Consultant complete certain Services or Deliverables. In such event, all rights and obligations of the parties under this Agreement continue in effect with respect to the Services until their completion.

(e) Upon any termination of this Agreement for any reason (and with respect to ongoing Services pursuant to Section 11(d) above, upon their completion), Consultant must, within five (5) days of the termination (or completion), return or otherwise provide to Steridian all of the Confidential Information, including without limitation all Work Product, and any software, equipment or other materials provided by Steridian to Consultant. In addition, Consultant must provide to Steridian or destroy (at Steridian's option) any and all documents, memoranda, notes, and other tangible embodiments, in electronic or non-electronic form, prepared by or on behalf of Consultant based on or which include Confidential Information to the extent necessary to remove all such Confidential Information from Consultant's possession or control. Upon Steridian's request, a Consultant shall certify in writing that Consultant has complied with this Section 11(e).

(f) If Steridian terminates this Agreement pursuant to Section 12, then in addition to any other rights or remedies Steridian may have in law or in equity, Steridian shall be released from any payment obligation, other than for payments due and payable on the date of termination.

(g) Sections 2(f)-(g), 3(b)-(d), 6-10, 11(d)-(g) and 12-15 shall survive termination of this Agreement for any reason.

12. Cumulative Remedies. Any and all rights and remedies of Steridian upon Consultant's breach of or default under this Agreement are cumulative with and not exclusive of any other right or remedy conferred by this Agreement or by law or equity on Steridian, and Steridian's exercise of any one remedy will not preclude the exercise of any other.
13. Assignment; Successors and Assigns. The parties agree that this is a contract for Consultant's personal services and cannot in any way be assumed or assigned by, or delegated to, any third party without Steridian's prior express written permission. Any attempted assumption, assignment or delegation by Consultant without the required consent is void. Steridian may freely assign its rights, obligations and/or this Agreement. This Agreement inures to the benefit of successors and assigns of Steridian, and is binding upon Consultant's heirs, executors, administrators or other legal representatives
14. Notices. Any notice required or permitted to be given by either party under this Agreement will be in writing and will be personally delivered or sent by a reputable overnight mail service (e.g., Federal Express), or by first class mail (certified or registered), or by facsimile confirmed by first class mail (registered or certified), to the other party. Notices will be deemed effective (i) three (3) working days after deposit, postage prepaid, if mailed, (ii) the next day if sent by overnight mail, or (iii) the same day if sent by facsimile and confirmed as set forth above. A copy of any notice to Steridian will be sent to the following:

Steridian Corporation

Attn: Tim Semones  
Fax: 360-885-3290

15. Governing Law. This Agreement and any action related thereto will be governed, controlled, interpreted and defined by and under the laws of the State of California and the United States, without regard to the conflicts of laws provisions thereof. The exclusive jurisdiction and venue of any action with respect to the subject matter of this Agreement will be the state courts of the State of California for the County of Santa Clara or the United States District Court for the Northern District of California and each of the parties hereto submits itself to the exclusive jurisdiction and venue of such courts for the purpose of any such action. The parties agree that

service of process by US mail certified, to the last known address of a party, as provided or as changed in accordance with the provisions of this Agreement, shall be valid.

16. Miscellaneous. This Agreement supersedes and cancels any and all previous agreements of whatever nature between Steridian and Consultant with respect to the matters covered herein. This Agreement constitutes the full, complete and exclusive agreement between Consultant and Steridian with respect to the subject matters herein. No modification or waiver of this Agreement, or any portion hereof, shall be valid unless made in writing and signed by the parties hereto. The failure of any party to require performance by another party of any provision of this Agreement shall in no way affect the full right to require such performance at any time thereafter. Should any provisions of this Agreement be found unenforceable, the remainder shall still be in effect. This Agreement has been negotiated by the parties and their respective attorneys, and the language of this Agreement shall not be construed for or against either party. The headings are not part of this Agreement. Either the original or copies, including facsimile transmissions, of this Agreement, may be executed in counterparts, each of which shall be an original as against any party whose signature appears on such counterpart and all of which together shall constitute one and the same instrument.

Accepted and Agreed:

CONSULTANT

By: James A. Van Vechten

Print Name: James A. Van Vechten

James A. Van Vechten

STERIDIAN CORPORATION

By: Tina D. Jensen

Print Name: Tina D. Jensen

As Its: CFD

STATEMENT OF WORK

1. GENERAL

This is a Statement of Work under the Consulting Agreement by and between Steridian Corporation, a Delaware corporation ("Steridian"), and Consultant ("Consultant") dated October 6, 2004 ("Agreement") and is subject to the terms and conditions of the Agreement.

2. SUMMARY OF THE SERVICES AND DESCRIPTION OF DELIVERABLES

Consultant will provide a best efforts, technology development service to Steridian.

3. RESOURCES TO BE PROVIDED BY CONSULTANT

No consultant provided resources other than dedication to best efforts results are required.

4. RESOURCES TO BE PROVIDED BY STERIDIAN (IF ANY)

Steridian will reimburse consultant for all reasonable office and travel expenses associated with services provided by the Consultant. Any expenses in excess of \$1,000.00 will be approved in advance by the Steridian Representative.

5. STERIDIAN REPRESENTATIVE

The Steridian Representative will be Steven Linn, VP of Engineering. Work product of the consultant will be directed by Steve Linn.

6. PAYMENTS

Consultant will be paid at a rate of \$550 per day, billable in one hour increments if portions of the work are less than once day in duration.

The parties, through their authorized representatives, hereby agree to the terms of this Statement of Work.

CONSULTANT

*James A. Van Vechten*  
By: *James A. Van Vechten*

Name: James A. Van Vechten

Title: Ph. D.

Date: 6 October 2004

STERIDIAN CORPORATION

*Tim D. Semel*

Name: Tim D. Semel

Date: 10/12/04



EXHIBIT B

LIST OF BACKGROUND TECHNOLOGY

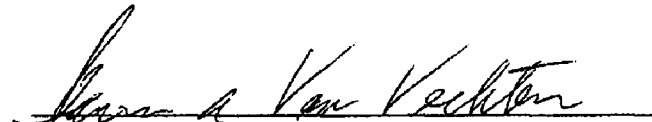
Pursuant to the Consulting Agreement between Consultant ("Consultant") and Steridian Corporation, a Delaware corporation ("Steridian"), dated October 6, 2004 ("Agreement"), the following is a complete list of all Background Technology as defined in the Agreement relevant to the subject matter of the Services that Consultant will provide to Steridian pursuant to the Agreement. Consultant desires to remove from the Work Product (as defined in the Agreement) with respect to the Services to be provided to Steridian, the Background Technology listed, if any, which are noted by an \* and Consultant's initials next to such Background Technology:

  X   No inventions or improvements.

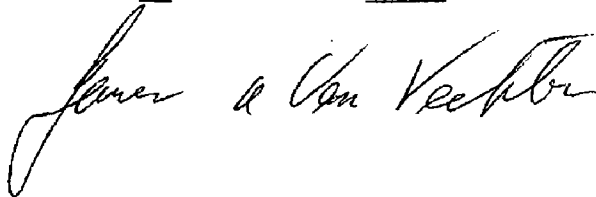
       See below.

       Additional sheets attached.

This List of Background Technology is part of and incorporated by reference into the Agreement.

  
Signature  
Name: James A. Van Vechten

Date:   6 October 2004  



STERIDIAN VAS VRECIOR

## CONSULTANT/CONTRACTOR PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

I have been engaged by Steridian Corporation ("Company") to provide the following services: (*Describe Services*). In consideration of the amounts I received from the Company, and the compensation I receive from the Company, I hereby agree to certain restrictions placed by the Company on my use and development of information and technology of the Company, as more fully set out below.

### 1. Proprietary Information.

(a) **Confidential Restrictions.** I understand that, in the course of my work as consultant and/or contractor for the Company, I have had and may have access to Proprietary Information (as defined below) concerning the Company and its clients. I acknowledge that the Company has obtained, often at great expense, this information, which has great value to the Company's business. I agree to hold in strict confidence and in trust for the sole benefit of the Company all Proprietary Information and will not disclose any Proprietary Information to anyone outside of the Company, or use, copy, publish, summarize, or remove from Company premises such information (or remove from the premises any other property of the Company) except during the term of my consulting and/or contracting arrangement to the extent necessary to carry out my responsibilities as a consultant and/or contractor for the Company.

(b) **Proprietary Information Defined.** I understand that the reference to "Proprietary Information" in this Agreement means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by me, pertaining in any manner to the business of the Company (or any affiliate of it that might be formed) or to the Company's customers, consultants, business associates, vendors or other third parties with whom the Company has contracts or established economic relationships unless (i) the information is or becomes publicly known through lawful means; (ii) the information was rightfully in my possession or part of my general knowledge prior to my consulting and/or contracting arrangement with the Company as specifically identified and disclosed by me in Exhibit "A" attached hereto; or (iii) the information is disclosed to me without confidential or proprietary restriction by a third party who rightfully possesses the information (without confidential or proprietary restriction) and did not learn of it directly or indirectly from the Company. I further understand that the Company considers the following information to be included, without limitation, in the definition of Proprietary Information: (i) all client/customer lists and all lists or other compilations containing client or vendor information; (ii) information about products, proposed products, research, product development, techniques, processes, costs, profits, markets, marketing plans, strategies, forecasts, sales and commissions; (iii) plans for the future development and new product concepts; (iv) all manufacturing techniques or processes, documents, books, papers, drawings, models, sketches, computer programs, databases, and other data of any kind and descriptions, including electronic data recorded or retrieved by any means; (v) the compensation and terms of employment of other employees; (vi) all other information that has been or will be given to me in confidence by the Company (or any affiliate of it that might be formed); and (vii) software in various stages of development, designs, drawings,

specifications, techniques, models, data, source code, algorithms, object code, documentation, diagrams, flow charts, research development, processes and procedures.

(c) **Information Use/Return.** I agree that I will maintain only Proprietary Information that I have a current "need to know," and that I will return to the appropriate person or location or otherwise properly dispose of Proprietary Information once my need to know no longer exists. I agree that I will not make copies of information unless I have legitimate need for such copies in connection with my work. I agree that I will not retain and will return all proprietary information including all copies in whatever form after my consulting and/or contracting arrangement with the Company terminates.

(d) **Prior Actions and Knowledge.** I hereby represent and warrant that from the time of my first contact or communications with the Company I have held in strict confidence and in trust for the sole benefit of the Company all Proprietary Information and have not disclosed any Proprietary Information to anyone outside of the Company, or used, copies, published, or summarized any Proprietary Information except as required to perform my duties as a Consultant. Except as disclosed on Exhibit A to this Agreement, I do not know anything about the Company's business or Proprietary Information, other than information I have learned from the Company in the course of providing consulting and/or contracting services to the Company.

(e) **Former or Concurrent Employers or Other Contracting Parties.** I agree that I will not, during my consulting and/or contracting arrangement with the Company, improperly use or disclose any Proprietary Information, confidential information or trade secrets of my former or concurrent employers, principals, or entities for whom I have provided or will provide consulting and/or contracting services.

(f) **Interference with Business.** I acknowledge that pursuit of the activities forbidden by this paragraph, would necessarily involve the use or disclosure of Proprietary Information in breach of this Agreement, but that proof of such breach would be extremely difficult. To forestall such disclosure, use, and breach, I agree that for the term of my consulting and/or contracting arrangement with the Company and for a period of six months following termination of my consulting and/or contracting arrangement, I shall not, for myself or any third party, directly or indirectly divert or attempt to divert from the Company (or any affiliate of it that might be formed) any business of any kind in which it is engaged, including, without limitation, the solicitation of or interference with any of its customers or vendors, or solicitation or recommendation for employment any person employed by the Company, or by any affiliate of it that might be formed. Furthermore, I agree that during the period my consulting and/or contracting agreement with the Company, I shall not engage in any business activity that is or may be competitive with the Company or any affiliate of it that might be formed. I understand that none of my activities will be prohibited under this paragraph, if I can prove that the action was taken without the use in any way of Proprietary Information.

(g) **No Solicitation of Employees.** I agree that for the term of this Agreement and for a period of one (1) year following the termination of my relationship with the Company, I will not, on behalf of myself or any other person or entity, either directly or indirectly, solicit the services of any person who was employed by the Company on or prior to the date of termination of my relationship with the Company.

## 2. Inventions.

(a) **Defined.** I understand that during the term of my consulting and/or contracting arrangement, there have been and are certain restrictions on my development of technology, ideas, and inventions, referred to in this Agreement as "Invention Ideas." The term Invention Ideas means any and all ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, and all improvements, rights, and claims related to the foregoing that are conceived, developed, or reduced to practice by me alone or with others that relate to the Company's business, relate to demonstrably anticipated research or development of the Company, or that result from any work I have performed, or will perform, for the Company.

(b) **Disclosure.** I agree to maintain adequate and current written records on the development of all Invention Ideas and to disclose promptly to the Company all Invention Ideas and relevant records, which records will remain the sole property of the Company. I further agree that all information and records pertaining to any idea, process, trademark, service mark, invention, technology, computer program, original work or authorship, design formula, discovery, patent, or copyright that I do not believe to be an Invention Idea, but is conceived, developed, or reduced to practice by me (alone or with others) during the period of my consulting and/or contracting arrangement or during the six-month period following termination of consulting and/or contracting arrangement, shall be promptly disclosed to the Company (such disclosure to be received in confidence). The Company shall examine such information to determine if, in fact, the ideas, process, or invention, etc., is an Invention Idea subject to this Agreement.

(c) **Assignment.** I agree to assign to the Company, without further consideration, all right, title, and interest that I may presently have or acquire (throughout the United States and in all foreign countries), free and clear of all liens and encumbrances, in and to each Invention Idea, which shall be the sole property of the Company, whether or not patentable. Without limiting the foregoing, I agree that any such original works of authorship shall be deemed to be "works made for hire" and that the Company shall be deemed the author thereof under the U.S. Copyright Act (Title 17 of the U.S. code), provided that in the event and to the extent such works are determined not to constitute "works made for hire" as a matter of law, I irrevocably assign and transfer to the Company all right, title and interest in such works, including but not limited to copyrights. In the event any Invention Idea shall be deemed by the Company to be patentable or otherwise registrable, I will assist the Company (at its expense) in obtaining letters patent or other applicable registrations thereon, and I will execute all documents and do all other things (including testifying at the Company's expense) necessary or proper to obtain letters patent or other applicable registrations thereon and to vest the Company with full title to them. My obligation to assist the Company in obtaining and enforcing patents, registrations or other rights for such inventions, shall continue beyond the termination of my consulting and/or contracting arrangement, but the Company shall compensate me at a reasonable rate after such termination for the time actually spent by me at the Company's request for such assistance. Should the Company be unable to secure my signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, whether due to my mental or physical incapacity or any other cause, I hereby irrevocably designate and appoint the Company and each of its duly authorized officers and agents as my agent and attorney-in-fact, to act on my behalf, to execute

and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights of protections with the same force and effects as if executed and delivered by me.

**(d) Exclusions.** Except as disclosed in Exhibit A, there are no ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, or improvements to these that I wish to exclude from the operation of this Agreement. If nothing is listed in this Agreement, I represent that I have no such inventions and improvements at the time of signing this Agreement. To the best of my knowledge, there is no existing contract in conflict with this Agreement or any other contract to assign ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, or copyrights that is now in existence between me and any other person or entity.

**(e) Post-Termination Period.** I acknowledge that because of the difficulty of establishing when any idea, process, invention, etc., is first conceived or developed by me, or whether it results from access to Proprietary Information or the Company's equipment, facilities, and data, I agree that any idea, process, trademark, service mark, invention, technology, computer program, original work of authorship, design, formula, discovery, patent, copyright, or any improvement, rights, or claims related to the foregoing shall be presumed to be an Invention Idea if it is conceived, developed, used, sold, exploited, or reduced to practice by me or with my aid within six months after the termination of my consulting and/or contracting arrangement with the Company. I can rebut the above presumption if I prove that the invention, idea, process, etc., is not an Invention Idea as defined in paragraph 2(a).

**(f) California Labor Code.** I understand and agree that should I at some point become or be deemed to be an employee of the Company, that nothing in this Agreement is intended to embrace inventions which qualify fully under the provisions of California Labor Code Section 2870 or otherwise expand the scope of protection provided me by Sections 2870 through 2872 of the California Labor Code, copies of which are attached.

### **3. Former or Conflicting Agreements.**

During my consulting and/or contracting arrangement with the Company, I will not disclose to the Company, or use, or induce the Company to use, any proprietary information or trade secrets of others. I represent and warrant that I have returned all property and confidential information belonging to all prior entities for whom I have provided services. I further represent and warrant that my performance of the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to or concurrent with my consulting and/or contracting arrangement with the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict with this one.

### **4. Remedies.**

I recognize that nothing in this Agreement is intended to limit any remedy of the Company under the California Uniform Trade Secrets Act and that I could face possible criminal and civil actions, resulting in substantial monetary liability if I misappropriate the Company's

trade secrets. In addition, I recognize that my violation of this Agreement could cause the Company irreparable harm, the amount of which may be extremely difficult to estimate, thus making any remedy at law or in damages inadequate. Therefore, I agree that the Company shall have the right to apply to any court of competent jurisdiction for an order restraining any breach or threatened breach of this Agreement and for any other relief the Company deems appropriate. This right shall be in addition to any other remedy available to the Company in law or equity.

## **5. Miscellaneous Provisions.**

(a) **Assignment.** I agree that the Company may assign to another person or entity any of its rights under this Agreement.

(b) **Governing Law; Severability.** The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of California. If any provision of this Agreement, or application thereof to any person, place, or circumstances, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

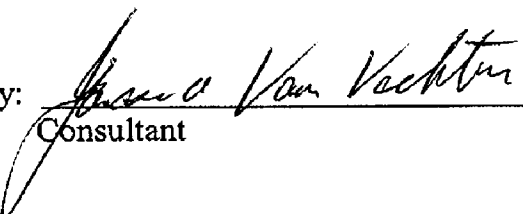
(c) **Entire Agreement.** The terms of this Agreement are the final expression of my agreement with respect to the subject matter of it and may not be contradicted by evidence of any prior or contemporaneous agreement. This agreement shall constitute the complete and exclusive statement of its terms and no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding involving this Agreement.

(d) **Successors and Assigns.** This Agreement shall be binding upon me and my heirs, executors, administrators, and successors, and shall inure to the benefit of the Company's successors and assigns.

(e) **Application of this Agreement.** I hereby agree that my obligations set forth in Sections 1 and 2 hereof and the definitions of Proprietary Information and Inventions Ideas contained therein shall be equally applicable to Proprietary Information and Invention Ideas related to any work performed by me for the Company prior to the execution of this Agreement.

I HAVE READ THIS AGREEMENT CAREFULLY AND UNDERSTAND ITS TERMS. I HAVE COMPLETELY NOTED ON EXHIBIT A TO THIS AGREEMENT ANY PROPRIETARY INFORMATION, IDEAS, PROCESSES, TRADEMARKS, SERVICE MARKS, INVENTIONS, TECHNOLOGY, COMPUTER PROGRAMS, ORIGINAL WORKS OF AUTHORSHIP, DESIGNS, FORMULAS, DISCOVERIES, PATENTS, COPYRIGHTS, OR IMPROVEMENTS, RIGHTS, OR CLAIMS RELATING TO THE FOREGOING THAT I DESIRE TO EXCLUDE FROM THIS AGREEMENT.

Date: 24 May 2005

By:   
Consultant

## EXHIBIT A

### CONSULTANT/CONTRACTOR'S DISCLOSURE

1. **Proprietary Information.** Except as set forth below, I acknowledge that at this time I know nothing about the business of or Proprietary Information of the Company, other than information I have learned from the Company in the course of performing services for the Company:

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2. **Prior Inventions.** Except as set forth below, there are no ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, or any claims, rights, or improvements to the foregoing that I wish to exclude from the operation of this Agreement:

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---

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Date: \_\_\_\_\_

**Section 2870**

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

**Section 2871**

No employer shall require a provision made void and unenforceable by Section 2870 as a condition of employment or continued employment. Nothing in this article shall be construed to forbid or restrict the right of an employer to provide in contracts of employment for disclosure, provided that any such disclosures be received in confidence, of all of the employee's inventions made solely or jointly with others during the term of his or her employment, a review process by the employer to determine such issues as may arise, and for full title to certain patents and inventions to be in the United States, as required by contracts between the employer and the United States or any of its agencies.

**Section 2872**

If an employment agreement entered into after January 1, 1980 contains a provision requiring the employee to assign or offer to assign any of his or her rights in any invention to his or her employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention which qualifies fully under the provisions of Section 2870. In any suit or action arising thereunder, the burden of proof shall be on the employee claiming the benefits of its provisions.



rights”, and that the employee will assign any and all IP rights in the work product to the Company.

- Section 3.6 of the Employment Agreement provides for exceptions to the above-noted provisions, to be listed at Appendix A of the respective Employment Agreement. None of the Employment Agreement Appendix A’s list any exceptions, save that signed by inventor Xue. The exception noted in Appendix A of inventor Xue’s Employment Agreement is not believed to relate to the above-identified patent application. (As seen at section 10 of the Employment Agreements, Exhibit B is irrelevant to the showing of ownership, and is therefore excluded from the attached Employment Agreements.)
- The execution date of each of the attached Employment Agreements precedes the earliest priority date for the above-referenced application (priority to US 60/574,237 filed 24 May 2004 through international PCT/US2005/018305 filed 24 May 2005)
- A Consultant Agreement between Steridian Corporation and the tenth inventor, James van Vechten, is also attached.
  - Section 6(g) of the Consultant Agreement provides that services provided by the Consultant (inventor van Vechten) remain the sole property of Steridian Corporation.
  - Sections 7(a) and 7(b) provide that all work product and intellectual property rights are the sole property of Steridian and its assigns, and section 7(c) obligates the Consultant to execute documents to secure, perfect and register IP rights for Steridian.
  - Provisions for exceptions to the above sections, denoted in the Consultant Agreement as BACKGROUND TECHNOLOGY, are provided at section 7(d), for which the stated Exhibit B is seen to refer to bullet 2 of the single page entitled Exhibit A. No exceptions are listed at that single page.
  - The Consultant Agreement is executed May 24, 2005, the same date as the international filing date for the priority application PCT/US2005/018305.

The attached employment/consultant agreements thereby show an assignment of the above-referenced US Patent application by each of the ten inventors to Steridian Corporation, and the attached assignment shows assignment of that application from Steridian Corporation to Fury

01-31-2007

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Commissioner of Patents and Tradem

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OFFICE OF PUBLIC RECORDS

Please record the attached document

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FINANCE SECTION

## 1. Name of conveying party(ies):

Steridian Corporation

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

## 3. Nature of Conveyance:

- ☒ Assignment ☐ Merger  
☐ Security Agreement ☐ Change of Name  
☐ Other:

Execution Date: October 23, 2003; December 1, 2003; December 12, 2003; March 3, 2005; December 1, 2003; February 2, 2004; February 14, 2004; March 24, 2004; April 15, 2004; October 12, 2004; May 24, 2005; respectively

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

Name: Fury Technologies Corporation

Address: 201 NE Park Plaza Drive

City: Washougal

State: WASHINGTON

ZIP Code: 98671

Country: USA

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):

11/569,498

B. Patent No.(s):

Additional numbers attached? ☐ Yes ☒ No

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

Name: Gerald J. Stanton, Esq.

Address: Harrington & Smith, PC  
4 Research Drive

City: Shelton

State: CT

ZIP Code: 06484-6212

## 6. Total number of applications and/or patents involved: .....

1

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

- ☒ Enclosed  
☐ Charge deposit account  
☒ Please charge any fee deficiency to deposit account

8. Deposit account number: 50-1924

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, the attached document is either an original document or a true copy of the original document.*

Gerald J. Stanton

Name of Person Signing

Signature

Date

Total number of pages including cover sheet(s):

Page 1 of .

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RECORDED: 01/29/2007

PATENT  
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