

Form 3

Confidentiality, Inventions, and Noncompete Agreement

CONFIDENTIALITY, INVENTIONS AND NONCOMPETE AGREEMENT
(this "Agreement"), dated as of _____, 20____, made
by _____ ("Employee") in favor of
[Company], a [State] corporation (the "Company").

BACKGROUND

It is recognized by the undersigned Employee that the day-to-day performance of his or her duties while in the employment of the Company is likely to give or require access to confidential Company records and sources of information and to bring him or her into contact with others engaged in confidential work for the Company. It is further recognized by the Employee that by reason of being employed by the Company, he or she may create or develop intellectual property (including inventions, ideas, discoveries, trade secrets and copyrightable works) resulting from or arising out of the work performed by the undersigned within the scope of his or her responsibilities, or with the Company's facilities, equipment or supplies, or in connection with or resulting from his or her use or knowledge of confidential or trade secret information which is proprietary to the Company.

NOW, THEREFORE, in consideration of employment by the Company and of prospective assignments to work on confidential matters which Employee acknowledges is sufficient consideration for this Agreement, Employee agrees to the following continuing obligations:

1. Confidentiality. During the period of Employee's employment with the Company, Employee agrees, except in the course of Employee's duties on behalf of the Company:

(a) to keep secret and treat confidentially all confidential information of the Company pertaining to Company customers and prospective customers, customer requirements, customer financial information, and other such confidential information compiled or maintained internally by the Company concerning its customers and prospective customers; and

(b) to keep secret and treat confidentially all confidential information of the Company pertaining to Company products, costs, marketing plans and contemplated activities, financial matters, research and development, production, engineering, product design, and other such confidential information compiled or maintained internally by the Company concerning its business, operations and activities; by way of illustration, but not limitation, confidential information includes inventions, processes, formulae, data, computer programs (whether in source or object code form) and all information relating to programs now existing or under development, computer program listings, know-how, improvements, discoveries, developments, designs, techniques, marketing plans, strategies, forecasts, new products, unpublished financial statements, budgets, projections, licenses, prices, costs, customer and supplier lists and compilations of information. Confidential information does not include information (i) known to the Employee prior to employment by the Company and not used in connection with the Company's business, (ii) received from a third party not in connection with or as a result of, or used in connection with, the undersigned's employment by the Company, or (iii) which is or becomes generally known to the public (other than through a breach of this agreement or any other obligation of confidentiality to the Company).

2. Confidentiality Upon Termination. Upon termination of Employee's employment with the Company, whether voluntary or involuntary and for whatever reason, Employee agrees:

(a) to promptly return to the Company any and all documents made or obtained by Employee in the course of his or her employment pertaining to or containing any of the confidential information of the Company referred to in Section 1 above; and

(b) to keep confidential and to make no written record of confidential information of the Company referred to in Section 1 above, and to make no use or disclosure thereof.

3. Confidential Relationship. Employee acknowledges that this Agreement provides notice that the Company regards it to be vital to its interest that its confidential information and trade secrets be safeguarded by its employees. Employee understands that this Agreement establishes a confidential relationship between Employee and the Company, and that Employee has a duty under the law not

to breach the confidential relationship by using or disclosing Company confidential information and trade secrets. Employee further understands that the Company relies upon Employee honoring such duty of confidence when the Company entrusts Employee with access to Company confidential information and trade secrets.

4. Invention Disclosure and Assignment.

4.1 During the period of Employee's employment with the Company, Employee agrees to report to the Company fully and promptly in writing, all intellectual property (including inventions, ideas and discoveries, patentable or unpatentable, trade secrets and copyrightable works) which is made, developed, conceived or reduced to practice by Employee either solely or jointly with others resulting from or arising out of the work performed by Employee, within the scope of his or her responsibilities, or with the Company's facilities, equipment or supplies, or in connection with or which results from his or her use or knowledge of confidential or trade secret information which is proprietary to the Company.

4.2 Upon termination of Employee's employment with the Company, and for a period of eighteen (18) months after termination, Employee agrees to report to the Company fully and promptly in writing, all intellectual property (including inventions, ideas and discoveries, patentable or unpatentable, trade secrets and copyrightable works) which is reduced to practice by Employee either solely or jointly with others, reasonably resulting from the work performed by Employee during employment by the Company within the scope of his or her responsibilities, or with the Company's facilities, equipment or supplies, or in connection with or which results from his or her use or knowledge of confidential or trade secret information which is proprietary to the Company.

4.3 Employee agrees to hold all such intellectual property described in this Section 4 for the benefit of the Company and not to assign nor attempt to assign any rights therein to anyone other than the Company.

4.4 Employee agrees to assign to the Company upon its request and without further compensation all rights, title and interest in such intellectual property described in this Section 4 to which the Company is entitled as set forth in this Section 4, at any time whether during or subsequent to