

EMPLOYEE PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

I acknowledge that HRST, Inc. (the "*Company*") operates in a competitive environment, that it enhances its opportunities to succeed by establishing certain policies designed to identify and secure the Company's intellectual property and that the provisions of this Agreement are a material condition to my employment with the Company. In consideration of my employment by the Company, the foregoing recitals and other good and valuable consideration associated with my employment by the Company, I agree as follows:

1. Confidentiality

I will not disclose or use in any manner or at any time either during or after my employment with the Company any Proprietary Information (defined below) except for the exclusive benefit of the Company as required by my duties for the Company or as an officer of the Company expressly may consent to in writing. I will obtain the Company's written consent before publishing or submitting for publication any material (written, verbal or otherwise) that relates to my work at the Company and/or incorporates any Proprietary Information. I hereby assign to the Company any rights I may have or acquire in any Proprietary Information and recognize that all Proprietary Information shall be the sole property of the Company and its assigns.

The term "*Proprietary Information*" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company, in any form whatsoever. By way of illustration and not limitation, "*Proprietary Information*" includes (a) trade secrets (as defined by Minnesota law), inventions, mask works, ideas, processes, methods, formulas, algorithms and other mathematical formulae, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs, devices and techniques (collectively known as "*Inventions*"); (b) information regarding plans for research, development, new products, clinical trials, data resulting from such trials, information submitted to the Food and Drug Administration or other regulatory agencies, marketing and selling, business plans, budgets and unpublished financial statements, licenses (including the identity of and information relating to licensors and licensees), prices and costs, suppliers, distributors, customers, joint venturers and other persons and entities with whom the Company does business; and (c) information regarding the skills and compensation of other employees and agents of the Company. Notwithstanding the foregoing, I understand that I am free to use information that is generally available to the public or that is not gained or used as result of a breach of this Agreement or any other agreement to which I may be a party.

I understand, in addition, that the Company has received and in the future will receive from third parties confidential or proprietary information ("*Third Party Information*") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I will not disclose or use in any manner or at any time either during or after my employment with the Company any Third Party Information except for the exclusive benefit of the Company as required by my duties for the Company (which may include disclosure to the Company's personnel who need to know such information in connection with their work for the Company) or as an officer of the Company expressly may consent to in writing.

2. Ownership and Assignment of Inventions

Any Inventions, whether patented or unpatented, that I made prior to the commencement of my employment with the Company are excluded from the scope of this Agreement. To avoid any possible uncertainty, I have listed on Exhibit A attached hereto all Inventions that I have, alone or jointly with others, conceived, developed or reduced to practice or caused to be conceived, developed or reduced to practice prior to the commencement of my

employment with the Company that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement (collectively, "*Prior Inventions*"). If no such disclosure is attached, I represent that there are no Prior Inventions. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process, machine or Company Invention (defined below), the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license (with rights to sublicense through multiple tiers of sublicensees) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, I agree that I will not incorporate, or permit to be incorporated, Prior Inventions into any Company product, process, machine or Company Invention without the Company's prior written consent.

I hereby assign and agree to assign in the future (when any such Inventions are first reduced to practice or fixed in a tangible medium, as applicable) to the Company, or as directed by the Company its designee (including, without limitation, the United States), all my right, title and interest in and to any and all Inventions (and all Proprietary Rights (defined below) with respect thereto) whether or not patentable or registrable under copyright or similar statutes, made or conceived or reduced to practice or learned by me, either alone or jointly with others, during the period of my employment with the Company. The term "*Proprietary Rights*" shall mean all trade secret, patent, copyright, mask work, and all intellectual and other property rights throughout the world. Notwithstanding the foregoing, this Agreement does not apply to an Invention which qualifies fully as a nonassignable Invention under the provisions of Minnesota Statute § 181.78 ("*Section 181.78*"). I have reviewed the notification on Exhibit A and agree that my signature below acknowledges receipt of the notification. The term "*Company Inventions*" shall mean all Inventions assigned to the Company, or to its designee as directed by the Company, pursuant to this Agreement.

During the period of my employment and for six months after termination of my employment with the Company, I will promptly disclose to the Company fully and in writing all Inventions authored, conceived or reduced to practice by me, either alone or jointly with others. In addition, I will promptly disclose to the Company all patent applications filed by me or on my behalf within a year after termination of employment. At the time of each such disclosure, I will advise the Company in writing of any Inventions that I believe fully qualify for protection under Section 181.78; and I will at that time provide to the Company in writing all evidence necessary to substantiate that belief. The Company will keep in confidence and will not use for any purpose or disclose to third parties without my consent any confidential information disclosed in writing to the Company pursuant to this Agreement relating to Inventions that qualify fully for protection under the provisions of Section 181.78. I will preserve the confidentiality of any Invention that does not fully qualify for protection under Section 181.78. In accordance with Section § 181.78, the foregoing sections do not require me to assign or offer to assign to the Company any of my rights in an invention that I developed entirely on my own time without using the Company's equipment, supplies, facilities or trade secret information, and (1) that does not relate directly to the Company's business or to the Company's actual or demonstrably anticipated research or development, or (2) that does not result from any work performed by me for the Company. To the extent a provision in the foregoing Agreement purports to require me to assign an invention otherwise excluded from the preceding paragraph, the provision is against the public policy of the State of Minnesota and is unenforceable. By signing this Agreement, I acknowledge receipt of the notification required by Minnesota Statute § 181.78.

I acknowledge that all original works of authorship that are made by me, either alone or jointly with others, within the scope of my employment and which are protectable by copyright are "works made for hire," pursuant to the United States Copyright Act (17 U.S.C. § 101).

I agree to assist the Company (without charge but at no expense to me) at any time and in every proper way to obtain, and from time to time to enforce, United States and foreign Proprietary Rights relating to Company Inventions in any and all countries. Further, 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 for and in my behalf and stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance and enforcement of Proprietary Rights in Company Inventions with the same force and effect as if executed and delivered by me. I

hereby waive and quitclaim to the Company any and all claims, of any nature whatsoever, which I now or may hereafter have for infringement of any Proprietary Rights to Company Inventions.

All work product (including all notebooks, files and other tangible products) made, compiled or otherwise produced during the course of my employment as part of the work performed by me for the Company is the property of the Company. Upon leaving employment with the Company for any reason, I immediately will deliver to the Company all such work product, and all tangible, written, graphical, machine readable and other materials (including all copies) in my possession or under my control that contain or disclose Company Inventions, Third Party Information or Proprietary Information of the Company. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company's personnel at any time with or without notice.

I represent that my employment with the Company and my compliance with this Agreement do not and will not breach any agreement to keep in confidence information acquired by me prior to or outside of my employment with the Company. I have not brought and will not bring with me to the Company for use or disclosure in the performance of my duties at the Company any materials, documents or information of a former employer or any third party that are not generally available to the public, unless I have obtained express written authorization from the owner for their possession and use by or for the Company. I have not entered into, and will not enter into, any agreement, either oral or written, in conflict with this Agreement.

3. Miscellaneous

In the event that I leave the employ of the Company, I hereby consent to the notification of my new employer of my rights and obligations under this Agreement.

Any notices required or permitted hereunder shall be given to the appropriate party at the address specified below or at such other address as the party shall specify in writing. Such notice shall be deemed given upon personal delivery to the appropriate address or if sent by certified or registered mail, three (3) days after the date of mailing.

My obligations under this Agreement may not be modified or terminated, in whole or in part, except in a writing signed by me and by the President of the Company. Any waiver by the Company of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach.

Each provision of this Agreement will be treated as a separate and independent clause, and the unenforceability of any one provision will in no way impair the enforceability of any other provision. If any provision is held to be unenforceable, such provision will be construed by the appropriate judicial body by limiting or reducing it to the minimum extent necessary to make it legally enforceable.

My obligations under this Agreement will survive the termination of my employment, regardless of the manner of such termination. This Agreement will inure to the benefit of and be binding upon the successors and assigns of the Company.

I understand that this Agreement is not an employment contract, and nothing in this Agreement creates any right to my continuous employment by the Company or to my employment for any particular term.

Any breach of this Agreement likely will cause irreparable harm to the Company for which money damages could not reasonably or adequately compensate the Company. Accordingly, I agree that the Company will be entitled to injunctive relief to enforce this Agreement, in addition to damages and other available remedies.

This Agreement will be governed by and interpreted in accordance with the laws of the State of Minnesota, excluding its choice of laws rules. I hereby expressly consent to the personal jurisdiction of the state and federal courts located in the State of Minnesota for any lawsuit filed there against me by the Company arising from or related to this Agreement.

This Agreement contains the complete agreement between the Company and me concerning the subject matter hereof and supersedes all other agreements and understanding. This Agreement may be executed in counterparts.

I have read this Agreement carefully and understand its terms.

Agreed & Accepted:

Date: _____

HRST, Inc.
6557 City West Parkway
Eden Prairie, MN 55344

By: _____

Name: _____

Title: _____

Date: _____

Employee Signature

Employee Name Printed

Employee Address Street

Employee Address City, State, Zip Code

EXHIBIT A

LIST OF PRIOR INVENTIONS

Title	Date	Identifying Number or Brief Description
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I hereby acknowledge and agree that any Inventions not identified above and which are first reduced to practice or fixed in a tangible medium, as applicable, during or subsequent to my employment shall be assigned to the Company, or as directed by the Company its designee (including, without limitation, the United States), all my right, title and interest in and to any and all Inventions whether or not patentable or registrable under copyright or similar statutes, made or conceived or reduced to practice or learned by me, either alone or jointly with others, during the period of my employment with the Company. Notwithstanding the foregoing, this Agreement does not apply to an Invention that qualifies fully as a nonassignable invention under the provisions of Minnesota Statute § 181.78, which includes any invention that I developed entirely on my own time without using the Company's equipment, supplies, facilities or trade secret information, and (1) which does not relate (a) directly to the business of the Company or (b) to the Company's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by me for the Company.

___ No inventions or improvements

___ Additional Sheets Attached

Signature of Employee: _____

Print Name of Employee: _____

Date: _____